

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Huron-Clinton Metropolitan Authority	County Livingston
Fiscal Year End December 31, 2007	Opinion Date April 29, 2008	Date Audit Report Submitted to State May 28, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Rehmann Robson		Telephone Number 248-952-5000		
Street Address 5750 New King Street, Ste. 200		City Troy	State MI	Zip 48098
Authorizing CPA Signature Thomas Darling, CPA <small>Digitally signed by Thomas Darling, CPA DN: cn=Thomas Darling, CPA, c=US, o=Rehmann Robson, email=tdarling@rehmann.com Date: 2008.05.28 14:57:25 -0400</small>		Printed Name Thomas E. Darling, CPA		License Number A246550

**HURON-CLINTON
METROPOLITAN AUTHORITY,
MICHIGAN**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2007**

**SUBMITTED TO THE
HURON-CLINTON METROPOLITAN AUTHORITY
BOARD OF COMMISSIONERS**

**John C. Hertel – Chairman – Governor Appointee
Harry E. Lester – Vice Chairman – Wayne County
Peter S. Walters – Treasurer – Oakland County
Warren C. Evans – Governor Appointee
John E. La Belle – Livingston County
Robert W. Marans – Washtenaw County
Anthony V. Marrocco – Macomb County**

**Prepared by the Huron-Clinton Metropolitan Authority
Controller's Department**



**Huron - Clinton
Metropolitan Authority, Michigan
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007**

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Huron-Clinton Metropolitan Authority, Michigan

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Huron-Clinton Metropolitan
Authority, Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



Charles S. Cox

President

Jeffrey R. Ennis

Executive Director

HURON-CLINTON METROPOLITAN AUTHORITY



COMMISSIONERS

JOHN C. HERTEL, *Chairman*
HARRY E. LESTER, *Vice-Chairman*
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WARREN C. EVANS
JOHN E. LA BELLE
ROBERT W. MARANS
ANTHONY V. MARROCCO

April 29, 2008

To the Board of Commissioners, Director and Citizens of the Huron-Clinton Metropolitan Authority.
Park District:

State law requires that all local governmental units, including authorities such as the Huron-Clinton Metropolitan Authority, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Huron-Clinton Metropolitan Authority for the fiscal year ended December 31, 2007. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes the letter of transmittal, an organizational chart and a list of the Huron-Clinton Metropolitan Authority's principal appointed officials. The financial section includes the financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The statistical section, which is unaudited, includes selected financial information, generally presented on a multi-year basis.

The financial reporting entity of the Huron-Clinton Metropolitan Authority includes all funds of the Huron-Clinton Metropolitan Authority. The Authority is a special district form of government operating independently of all other governmental agencies. It provides a full range of recreational activities in the five-county region surrounding metro Detroit.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The Huron-Clinton Metropolitan Authority was sanctioned by Public Act 147 of Public Acts 1939. This Act provided for the incorporation of the Huron-Clinton Metropolitan Authority to permit the counties of Livingston, Macomb, Oakland, Washtenaw and Wayne to join in a metropolitan district for planning, promoting and/or acquiring, constructing, owning, developing, maintaining and operating, either within or without their limits, parks, connecting drives and/or limited access highways; to provide for the assessment, levy and collection of property taxes on both real and personal properties

located within its boundaries. A referendum was held on November 5, 1940 on the proposed Huron-Clinton Metropolitan Authority. The citizens of the five-county district approved the creation of the Huron-Clinton Metropolitan Authority.

The governing body of the Huron-Clinton Metropolitan Authority is a seven member Board of Commissioners. Two Commissioners, who serve as representatives at large, are appointed by the Governor of Michigan and serve four-year terms. Each of the five member counties, through their respective Board of Commissioners, appoints a Commissioner to serve a six-year staggered term. Public meetings of the Board of Commissioners are held on the second Thursday of each month. The Board of Commissioners is responsible, among other things, for setting policy, adopting the budget, setting fees, approving contracts, land acquisition and expenditures, planning of new parks and facilities and appointing four staff officers – Director, Deputy Director, Secretary and Controller.

The Director is responsible for carrying out the policies of the Board of Commissioners, for overseeing the day-to-day operations of the park system, hiring all full time employees and approving all purchase commitments of the Authority. The Deputy Director oversees all park operations/activities. The Secretary keeps minutes of all Board of Commissioner meetings, is the official custodian of all records of the Authority, coordinates the recording of all property owned by the Authority and certifies all payment vouchers prior to approval by the Board of Commissioners. The Controller is responsible for maintaining all financial accounting records of the Authority, collecting all revenues due the Authority, investing all Authority funds, issuing payment vouchers for goods, services and payrolls, maintaining property/casualty insurances and serves as the Pension Plan Trustee and Retiree Health Trust Plan Administrator.

Named after the two longest rivers within its boundaries, the Authority's main endeavor is to provide a variety of recreational opportunities through the development of natural resources along the Huron and Clinton Rivers for the benefit of the 4.5 million citizens of the five-county park district located in southeastern Michigan. Since its inception, the Authority has created thirteen Metroparks covering over 24,000 acres within the 1,600 square mile watershed area of the Huron and Clinton Rivers. These Metroparks have been developed on the best natural resources available, considering population trends and changing needs within the district with a minimum disruption of existing land use. The Authority is a dynamic and changing organization striving to provide new facilities and better service, but the basic philosophy of utilizing the best natural resource areas possible to provide a broad range of regional outdoor activities has not changed. This was the widely understood reason and purpose of establishing the organization and has been carefully followed by its Board of Commissioners throughout its history.

The characteristics of the Metroparks are different from recreation supplied by most other units of government or by the private sector. Generally, Metroparks are fairly large in size and offer a blend of natural resources such as lake, river, woods or wildlife area with constructed facilities that provide for more intensive recreational pursuits such as swimming, golfing, bicycling, cross-country skiing or other outdoor recreation. These Metroparks are within an hour's drive for most of the residents of the region and are considered "day use" parks.

The Metroparks range in size from 53 acres at Delhi Metropark to over 4,400 acres at Stony Creek Metropark. The larger Metroparks are designed to accommodate crowds of 35,000 or more on peak use days. In 2007, the Metropark system provided recreation for 9.0 million park visitors.

The Authority's centralized Administrative Office coordinates the development and operation of all thirteen Metroparks. The following departments are housed at the Administrative Office: (1) Executive; (2) Controller; (3) Engineering; (4) Planning; (5) Human Resources; (6) Graphic Design; (7) Communications; (8) Purchasing; (9) Information Systems; (10) Community Relations; (11) Police; and (12) Interpretive Services.

The day-to-day administration, operation and maintenance of each Metropark is coordinated through six park offices. These offices oversee all on-site park activities, operations and maintenance of buildings, roads and grounds.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the Huron-Clinton Metropolitan Authority operates. To say that the state of Michigan and, in particular, southeast Michigan's economy has fallen on hard times would be an understatement. The prolonged economic downturn for Michigan continued in 2007. Economic statistics show that Michigan remained in a recession for the fourth consecutive year. The unprecedented restructuring of the domestic auto industry and related segments continues to be a huge drag on the Michigan economy. In 2007 the domestic auto makers lost another 2.7 percentage points of market share, bringing their cumulative loss since 2001 to 12 percentage points. Domestic auto production now accounts for less than 50 percent of all auto production. The Detroit "Big Three" auto makers continue to eliminate thousands of jobs through buyouts and layoffs as they try to match production to reduced market share. Not only are jobs being eliminated, but those auto jobs that remain are at substantially reduced wage rates and benefit levels. A new labor contract negotiated with the United Auto Workers in 2007 will allow more buyouts of high-priced workers to continue into 2008, which will perpetuate the drag on the Authority's local economy.

The downturn in domestic auto production would, in and of itself, produce a poor economic climate. However, coupling this with the national mortgage crisis pushes Michigan, particularly southeast Michigan, into uncharted territory. The impact of this contracting economy is reverberating through all segments of southeast Michigan's economy, as evidenced by these statistics:

1. Michigan has the nation's highest unemployment rate at 7.6 percent.
2. Home foreclosures in 2007 throughout metro Detroit have quadrupled to nearly 100,000 with Wayne County having the highest foreclosure rate in the nation at 4.9 percent of households.
3. The average price of single-family homes in the metro Detroit area has fallen 17 percent since 2004.
4. Construction of new homes/condos hit a 40-year low, with only 3,500 permits issued, a 48 percent drop from 2006.

5. The number of homes on the market continues to surge, contributing to declining housing values as the supply far outpaces the demand.
6. The metro Detroit region continues to lose residents as another 44,000 residents left, bringing the three-year total since 2005 to nearly 105,000. The 44,000 residents leaving metro Detroit account for nearly 50 percent of residents leaving the entire state of Michigan (90,000).

The effect of this reeling economy will eventually translate into a much slower growth of Authority property tax revenues. To date, the Authority is still experiencing a growth in tax revenues due to Proposal A, which permits the growth of taxable values equal to the rate of inflation. Assessed values on existing properties have not fallen below taxable values, which translates into some additional growth of Authority tax revenues.

Given all these variables in our region, it is felt that southeast Michigan will remain a busy recreational playground due to the economy, natural features and water resources. The Metropark system will continue to play an important role in providing recreational opportunities for our residents and enhancing the overall quality of life. It is expected that residents will seek quality recreational opportunities closer to home at their 13 Metroparks.

A recent report by the Southeast Michigan Council of Governments (SEMCOG), the regional planning agency, indicates that there will be a major shift in the age mix of the population served by the Metropark system. It is predicted that over one-third of the population in southeast Michigan will be over 55 by year 2030. Current 2007 United States Census Bureau estimates are that the five-county population stands at 4,555,000 residents. The Authority hopes to serve more of these residents as they age.

MAJOR INITIATIVES

The Authority's staff, following directions from the Board of Commissioners and the Authority's Director, has been involved in a variety of capital projects throughout the year. These projects reflect the Authority's ongoing commitment to providing quality public recreational facilities and services in a well-maintained and safe environment to the citizens of southeast Michigan. Many of these projects relate to the Authority's emphasis of the Five-Year Plan on replacing/renovating worn out, outdated recreation facilities. The major activities and accomplishments during 2007 included:

1. The single largest individual construction project in the history of the Authority was let in July 2006. This \$9.2 million project has constructed a Family Aquatic Center at Lower Huron Metropark. This center will be known as "Turtle Cove." It consists of (1) an activity pool, (2) a lazy river, (3) two water slides, (4) a splash pad, (5) bathhouse, (6) concessions/administration building, (7) mechanical building, (8) parking lot, and (9) plaza/deck. The construction of this project started in 2006 and continued into 2007 with \$6,778,000 expended. Completion of this project is scheduled for early 2008 with a Memorial Day opening expected.

2. The completion of a new Aquatic Play Area at Kensington Metropark's Martindale Beach occurred in 2007, with \$341,000 expended. This Aquatic Play Area features 40 water spray features and two water slides with surrounding plaza and walks. This facility opened in June 2007 serving 55,000 visitors.
3. The original Nature Center at Stony Creek Metropark was replaced with a new 6,100 square foot, \$1.7 million Nature Center that features expanded exhibit space, classrooms and restrooms. This new facility was opened in fall 2007.
4. The replacement of the Food Concession Building at Kensington Metropark's Farm Center continued in 2007, with another \$85,000 expended. The new Food Concession Building is a 2,100 square foot building which opened in June 2007.
5. The Authority's hike/bike trails, roadways and service areas were upgraded with paving and reconstruction projects at three parks for a cost of \$277,000.
6. The Authority remains committed to replacing trees lost to the emerald ash borer by expending \$248,000 on replacement trees and various landscaping projects throughout the park system.
7. The renovation of the Metro Beach Metropark continued, with the letting of a \$0.9 million contract to completely replace the Central Plaza. During 2007, \$538,000 was expended on this project.
8. Underground communication cables were installed at Kensington and Stony Creek Metroparks at a cost of \$219,000 to improve telephone and data connections between facilities.
9. As part of an ongoing effort to eliminate vault latrines and upgrade Authority restroom facilities, comfort station construction contracts were let at Stony Creek and Huron Meadows with \$218,000 expended in 2007.
10. The Authority took over operation of the Stony Creek Golf Course from a concessionaire in late 2006. During 2007 numerous improvements were made to the clubhouse, golf car storage barn and service facility. Total 2007 capitalized improvements were \$140,000. This golf course generated \$968,000 in revenues, while direct operating costs totaled \$691,000 during 2007.
11. In total, the Authority invested in park facilities to the extent of nearly \$9.3 million, as work was done on 52 individual projects. These capitalized projects will help insure Metropark facility offerings to our public are in good working order and relevant to today's recreational interests.
12. The Planning and Engineering Departments worked on many other projects that were let in late 2007 or will be let for construction in 2008. Among the main "in progress" improvement projects are:
 - a. Kensington's Hickory Ridge comfort station (\$236,000);
 - b. Kensington's Golf Course irrigation system replacement (\$473,000);
 - c. Metro Beach's South Marina redevelopment (\$4.7 million);

- d. Metro Beach's Golf/Group Rental Area redevelopment (\$1.1 million);
 - e. Kensington's Martindale Beach Bathhouse/Food Bar replacement (\$2.4 million);
 - f. Stony Creek's Nature Center interpretive displays (\$185,000);
 - g. Oakwoods' Flat Rock Dam renovation (\$1.5 million).
13. During 2007, a total of \$3.0 million was spent equipping the Metropark system. Heavy equipment purchases accounted for \$2.1 million of expenditures, while auto and truck acquisitions held steady at \$0.7 million.
 14. Under the Authority's Capital Projects Fund-Supplemental Major Maintenance, a major \$2.3 million project was started to completely replace the water distribution system at Lower Huron Metropark. This project will replace water mains, pump stations, meters and hydrants throughout Lower Huron Metropark. In addition, various sections of the sanitary sewer system will be replaced. This project is essential to provide adequate water supply to the new Family Aquatic Center. During 2007, \$644,000 was expended on this project. Related to this project was the expenditure of \$29,000 in engineering costs for the construction oversight.
 15. Major repairs to Authority buildings, roadways, hike/bike trails and septic systems ran \$762,000 during 2007.
 16. The Authority established the Retiree Health Care Plan and Trust effective October 1, 2005. This Plan and Trust was created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 and constitutes a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986. The Plan operates on a September 30th fiscal year end and completed its second year of existence on September 30, 2007. The Authority transferred \$771,500 from the General Fund to the Retiree Health Trust during the Plan year ended September 30, 2007. The Plan and Trust was established for the exclusive purpose of enabling the Authority to pre-fund retiree health care benefits for eligible retirees and spouses.
 17. Finally, but certainly not least, the direct operation and maintenance of the Authority's 13 Metroparks were funded at a level of service that continued to offer the public quality recreational experiences in well-maintained and safe environments. A total of \$30.9 million was expended on providing park maintenance and recreational services to 9.0 million park visitors in 2007.
 18. The Authority's Board of Commissioners, working in conjunction with Department Heads, developed a new Five-Year Regional Recreation Plan covering the years 2008 to 2012. This Plan will provide staff with general guidance for the allocation of future funds.

FINANCIAL INFORMATION

Management of the Authority is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial

statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

FEDERAL FINANCIAL ASSISTANCE

The Authority did not receive any Federal financial assistance during 2007 that required the independent auditor to issue a Single Audit Report.

BUDGET

The annual budget serves as the foundation for the Huron-Clinton Metropolitan Authority's financial planning and control. The Authority employs a Five-Year Plan for long-range financial planning, which provides general guidance for each year's annual budget. The budget process is multi-faceted, involving all units of the Authority. The Authority's Planning and Engineering Department, in conjunction with park operating units, develops capital improvement and major maintenance project listings that are costed out by the end of September. These project listings are reviewed and finalized by mid-October. After a complete inspection of Authority equipment during September, the equipment budget is developed. Equipment budget requests are reviewed and finalized by the end of October. All park operating units of the Huron-Clinton Metropolitan Authority are required to submit park operation budget requests to the Controller's office near the end of October. The Controller utilizes these requests, along with capital budget requests, as the starting point for developing a proposed General Fund budget. The Controller conducts budget review meetings and presents the proposed budget to the Board of Commissioners at the December Board meeting. A public hearing on the proposed budget is conducted prior to the December Board meeting. The appropriated budget is a line item budget prepared by fund, category (i.e., capital improvements, park operations), department/park (i.e., Metro Beach, Kensington), sub-department/activity (i.e., golf course, regulatory) and object (i.e., full time wages, utilities). The Director is authorized to make budgetary transfers between line item appropriations. All budgetary appropriation transfers by category are approved by the Board of Commissioners on a quarterly basis. Budget-to-actual comparisons are provided in this report for the General Fund and Capital Projects Fund. The Authority maintains an encumbrance accounting system and a work order system for capital construction type projects to assist in maintaining budgetary control.

The Board of Commissioners has also established a Capital Projects Fund called the Supplemental Major Maintenance Fund to account for all oil/gas royalty revenues. These revenues are restricted for accomplishing large infrastructure repairs (over \$200,000) within the Metropark system. Infrastructure repair projects are evaluated on the basis of need and require Board of Commission approval.

LONG-TERM FINANCIAL PLANNING

The Huron-Clinton Metropolitan Authority employs a Five-Year Regional Recreation Plan to provide long term recreational and financial planning for the Metropark system. During 2007, a great deal of Staff's time was spent developing a new Five-Year Plan covering the years 2008 to 2012. The development of the Five-Year Plan is a planning process that is a joint effort involving the general public, park staff, Administrative Office staff, Planning, Engineering and the Board of Commissioners. The cornerstone of this Five-Year Plan is a Park User/Non-User Survey of the five county area, which was conducted by Market Strategies, Inc. The Authority's Administrative Staff developed a preliminary Five-Year Plan, which was reviewed at a special workshop meeting held by the Board of Commissioners. After much discussion and further meetings, the financial projection section of the Authority's Five-Year Plan was approved in May 2007. Due to the large amount of aging infrastructure within the Metropark system, the new Five-Year Plan continues to emphasize renovation/redevelopment/restoration type projects rather than new park developments. Eighty percent of the anticipated capital improvement funds for the next five years will be allocated to these types of projects. The Five-Year Plan represents a balanced plan that addresses many different areas, such as:

- ◆ Maintains present high standards of maintenance and service levels for existing park operations.
- ◆ Provides funds to complete development of capital improvement projects started prior to 2008.
- ◆ Provides operational funds for new Metropark facilities as they are completed, such as Lower Huron Aquatic Complex and Stony Creek Aquatic Play Area.
- ◆ Maintains a functional fleet of equipment plus equipping new facilities.
- ◆ Funds replacement of major facilities at Metro Beach main parking lot, Metro Beach floating marina, Kensington Martindale and Maple Beaches, Kensington Golf Starter area, Stony Creek Eastwood Beach Aquatic Complex and Huron Meadows Park Service Area Complex.
- ◆ Provides funds for the continuation of reconstructing/resurfacing of Authority roads, parking lots and hike/bike trails.
- ◆ Continues a program of replacing/upgrading vault latrines with flush toilet comfort stations.
- ◆ Increases contributions to the Retiree Health Care Trust Fund.
- ◆ Provides funds for various natural resource management projects.

GENERAL FUND BALANCE

In keeping with fiscally responsible budgeting practices, the Authority actively funds a Reserve for Future Contingency account to set aside funds to meet unanticipated/underbudgeted expenditures, emergencies and/or revenue shortfalls. The Authority's goal is to maintain this account at 5 percent of the general fund budget appropriations.

At the end of 2007, these unreserved funds which are undesignated totaled \$4.3 million, an increase of \$1.9 million from 2006's level. The Authority's adopted 2008 Budget will retain these funds in the Authority's Reserve for Future Contingencies account.

CAPITAL PROJECTS FUND

The Authority utilizes a Capital Projects Fund to record supplemental major maintenance projects that are non-recurring expenditures to repair/replace existing Metropark infrastructure. As designated by the Authority's Board of Commissioners, oil/gas royalty revenues are earmarked to fund these large projects.

During 2007, \$647,000 of royalty payments were received, with generated investment income totaling \$283,000. The major project in 2007 was the replacement of the water distribution system at Lower Huron Metropark, where \$644,000 was expended.

At the end of 2007, the unappropriated balance of the Supplemental Major Maintenance Reserve stood at \$5.7 million.

FIDUCIARY FUNDS

The Authority maintains a single employer, defined benefit pension plan, which is reported in the Pension Trust Fund based on its September 30 fiscal year end. An actuarial study determines the funding required by the Authority to meet its future benefit obligations. For the Plan year ended September 30, 2007 the Authority's required contribution was \$1,608,568. In the most recent Actuarial Valuation Report for the September 30, 2007 Plan year, the total estimated actuarial accrued liability was \$50,331,000. Total Plan assets at this time were \$35,652,000. One method of assessing the financial strength of a pension plan is to determine the percentage of liabilities that has been funded. This percentage for the Authority's Plan at September 30, 2007 was 70.8 percent, compared to 74.1 percent one year earlier.

The Authority established the Retiree Health Care Plan and Trust effective October 1, 2005. This Plan and Trust constitutes a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986. It was created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999. The Plan and Trust was established to allow for the Authority's funding of eligible retiree and spouse health care benefits. An actuarial valuation was performed as of October 1, 2006 with the total estimated actuarial accrued liability of the Authority postemployment health benefits established as \$42.0 million. At the end of the Plan's second fiscal year, Plan assets stood at \$6,160,000. The Authority continues to fund current postemployment benefits on a pay-as-you-go basis.

CASH MANAGEMENT

It is the policy of the Authority to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Authority and comply with all State statutes governing the investment of public funds consistent with the Authority's Investment Policy.

Cash temporarily idle during the year was invested in certificates of deposit, pooled investment funds and U.S. Agency issues. The Authority earned \$1,892,000 on all general fund investments for the year 2007.

RISK MANAGEMENT

The Authority purchases all of its property/casualty insurance coverages through various commercial insurance carriers. The majority of the coverages are underwritten by CNA Insurance Companies.

Major policies and their limits of coverage include:

- | | |
|--|---|
| 1. General Liability | \$1,000,000/occurrence
\$2,000,000 aggregate |
| 2. Excess Umbrella Liability | \$20,000,000/occurrence/aggregate |
| 3. Public Officials Liability | \$11,000,000/occurrence/aggregate
\$9,000,000 excess |
| 4. Fiduciary Liability | \$2,000,000/occurrence/aggregate |
| 5. Law Enforcement Liability | \$11,000,000/occurrence/aggregate |
| 6. Automobile | \$1,000,000 single limit |
| 7. Property/Casualty | \$81.6 million |
| 8. Workers Compensation | Statutory limits |
| 9. Employee Dishonesty | \$1,000,000 |
| 10. Underground Storage Tank Pollution Liability | \$1,000,000/occurrence
\$2,000,000 aggregate |
| 11. Pollution Liability | \$5,000,000/occurrence/aggregate |

These coverages are reviewed and evaluated annually by an independent insurance consultant.

DEBT

The Authority has not issued any bonded debt. The Authority's Enabling Act restricted debt issues to only revenue bonds. Over the years, the Authority has never felt it necessary to issue revenue bonds as a means of financing recreational facilities. Rather, the Authority has always operated on a "pay-as-you-go" basis, meaning no Authority taxes or revenues have been utilized to service debt issues.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The Authority sponsors a single employer defined benefit pension plan for all its full time employees. Annually, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the Authority must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Authority fully funds each year's annual required contribution to the pension plan as determined by the actuary.

The Authority also provides postretirement health, dental care, vision and life insurance benefits for retirees and their dependents. As of the end of the current fiscal year, there were 122 retired employees/spouses receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information on the Authority's pension plan and postemployment benefits can be found in notes V.D. and E.

OTHER INFORMATION

Independent Audit

State statute requires an annual audit by an independent certified public accountant. The accounting firm of Rehmann Robson was selected by the Board of Commissioners. The audit is conducted in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The audit will meet the requirements set forth by State statute and will include tests of the accounting records of the Authority and other procedures necessary for Rehmann Robson to express an opinion on the financial statements.

The auditor's report on the financial statements, required supplementary information and supplemental schedules are included in the **FINANCIAL SECTION** of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Huron-Clinton Metropolitan Authority for its comprehensive annual financial report for the year ended December 31, 2006. This was the sixth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must

publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

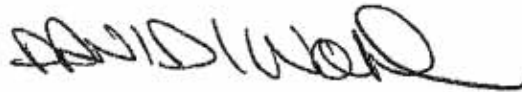
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this comprehensive annual financial report on a timely basis was a major undertaking for the Authority's Controllers Department. In particular, the extra efforts of Chief Accountant Rebecca Franchock, Accountant Betty Dobar and Secretary Karen George were absolutely essential. The guidance from our independent auditors, Rehmann Robson, was also necessary to direct us through the compilation of our comprehensive annual financial report. These extra efforts are much appreciated.

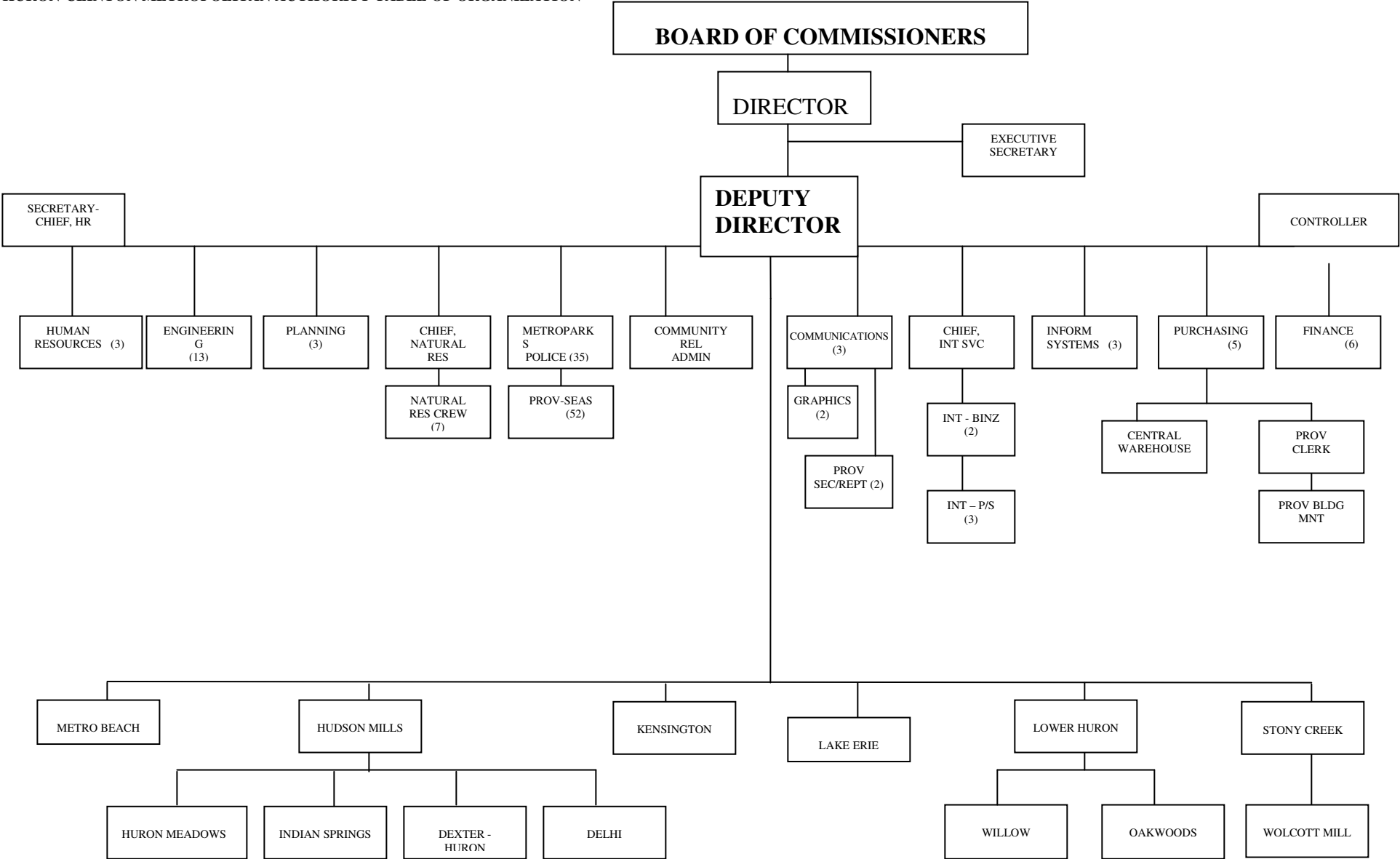
Finally, without the leadership and support of the Board of Commissioners, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DAVID WAHL", with a long, sweeping horizontal line extending to the right.

David L. Wahl
Controller

HURON-CLINTON METROPOLITAN AUTHORITY TABLE OF ORGANIZATION



HURON-CLINTON METROPOLITAN AUTHORITY
2007
PRINCIPAL OFFICERS

<u>UNIT – TITLE</u>	<u>NAME OF OFFICIAL</u>
Administrative Staff	
Director	James J. Bresciami
Deputy Director	David C. Moilanen
Secretary-Chief of Human Resources	Gregory J. Almas
Controller	David L. Wahl
Supervising Graphic Designer	LaChelle Barton Thomas
Information Systems Manager	Nolan L. Clark
Chief Planner	Susan H. Nyquist
Supervising Park Planner	James A. Kropp
Chief Accountant	Rebecca L. Franchock
Chief Engineer	Michael A. Arens
Supervising Field Engineer	Thomas R. Asiala
Chief of Natural Resources	Paul J. Muelle
Purchasing Manager	Scott W. Michael
Chief of Interpretive Services	C. Michael George
Community Relations Administrator	Jack C. Liang
Chief of Communications	Denise H. Semion
Chief of Police	Howard F. Chanter
Metro Beach Metropark	
Park Superintendent	James W. Pershing
Assistant Park Superintendent	Jeffrey D. Linn
Maintenance Supervisor	Mark V. Lietaert
Stony Creek and Wolcott Mill Metroparks	
Park Superintendent	Donald R. Potter
Assistant Park Superintendent	Michael G. Lyons
Maintenance Supervisor	David B. Kirbach
Deputy Chief of Police/Eastern District Commander	George M. Ruhana
Lower Huron, Willow and Oakwoods Metroparks	
Park Superintendent	Richard E. Sobecki
Assistant Park Superintendent	Jeffrey W. Schuman
Maintenance Supervisor	Joseph B. Jolly
Southern District Commander	Barrie F. Roberson
Kensington Metropark	
Park Superintendent	Richard J. Shafer
Assistant Park Superintendent	Brian L. Kelly
Maintenance Supervisor	Scott J. Strudgeon
Western District Commander	Harley B. Rider
Hudson Mills, Dexter-Huron, Delhi, Indian Springs and Huron Meadows Metroparks	
Park Superintendent	Kimberly A. Jarvis
Assistant Park Superintendent	Jerome M. Cyr
Maintenance Supervisor	Charles E. McDiarmid
Lake Erie Metropark	
Park Superintendent	Nancy A. Schaible
Assistant Park Superintendent	Tonja M. Molnar
Maintenance Supervisor	Michael S. O'Boyle

Financial Section



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

INDEPENDENT AUDITORS' REPORT

April 29, 2008

To the Board of Commissioners
Huron-Clinton Metropolitan Authority
Brighton, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ***Huron-Clinton Metropolitan Authority*** (the "Authority"), as of and for the year ended December 31, 2007, (except for the Pension and Other Employee Benefit Trust Funds which are as of and for the year ended September 30, 2007) which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of ***Huron-Clinton Metropolitan Authority***, as of December 31, 2007, (except for the Pension and Other Employee Benefit Trust Funds which are as of and for the year ended September 30, 2007) and the respective changes in financial position thereof and the budgetary comparisons of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2008, on our consideration of the **Authority's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Schedule of Funding Progress listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Introductory Section, Combining Fund financial statements, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion on them.

A handwritten signature in black ink, appearing to read "Rehmann Robson". The signature is written in a cursive, flowing style.

Mark Tschirhart, C.P.A, being duly sworn, deposes and says that he is a partner in the firm of Rehmann Robson and that he has signed the forgoing auditors' report in that capacity.

Management's Discussion and Analysis

As management of the Huron-Clinton Metropolitan Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Huron-Clinton Metropolitan Authority for the year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements and the notes to the financial statements.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the end of 2007 by \$211,201,112 (net assets). Of this amount, \$26,946,374 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to provide park and recreation services to the citizens of the five-county Metropark system.
- The Authority's total net assets increased significantly by \$7,991,027.
- The emphasis of the Authority's Five-Year Plan is to renovate, reconstruct and replace worn out, outdated recreational facilities. 2007 capital improvement expenditures reflect this emphasis as indicated by the following projects:
 1. Replacement of the Lower Huron pool with a Family Aquatic Center (\$6,778,000).
 2. Renovation of Martindale Beach at Kensington Metropark with the construction of an Aquatic Play Area (\$341,000).
 3. Replacement of the Food Concession Building at the Kensington Metropark Farm Center (\$85,000).
 4. Reconstruction of main park roads and hike/bike trails at Kensington, Hudson Mills and Indian Springs Metroparks (\$277,000).
 5. Replacement of Metro Beach's Central Plaza (\$538,000).
 6. Upgrading of Authority restrooms with the construction of new comfort stations at two parks (\$218,000).
 7. Under the Authority's Capital Projects Fund a major project was started in 2006 to completely replace the water distribution system at Lower Huron Metropark. During 2007, \$644,000 was expended on this project.
- The Authority established the Retiree Health Care Plan and Trust effective October 1, 2005 with a September 30 fiscal year. The Plan and Trust was established for the exclusive purpose of enabling the Authority to fund retiree health care benefits for eligible retirees and spouses. The Authority transferred \$771,500 during the Plan year ended September 30, 2007.
- Authority General Fund revenues at \$50.7 million exceeded 2007 budget targets by \$0.4 million (0.7 percent).
- Authority General Fund operating expenditures at \$38.3 million were under amended 2007 Budget amounts by \$2.8 million (6.9 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result only in cash flows in future years (i.e., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and program revenues. The sole governmental activity of the Authority consists of providing regional park and recreation services in the five-county metropolitan Detroit area. The Authority is a single purpose governmental agency.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund

statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Capital Projects funds, each of which are considered to be major funds.

The Authority adopts an annual appropriated budget for its General and Capital Projects fund. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Authority uses a fiduciary fund to account for (1) its single employer, defined benefit pension plan, which accumulates resources for pension benefit payments to qualified Authority employees, and (2) its Retiree Health Care Plan and Trust, which accumulates resources for health care benefit payments to qualified Authority retirees. These funds are based on the Plan's September 30 fiscal year ends.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This information is limited to a schedule concerning the Authority's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Huron-Clinton Metropolitan Authority, assets exceeded liabilities by \$211,201,112 at the close of the year.

By far the largest portion of the Authority's net assets (87 percent) reflect its investment in capital assets (i.e., land, buildings, infrastructure, roads, park improvements, vehicles and equipment). The Authority uses these capital assets to provide park and recreation services to citizens; consequently, these assets are *not* available for future spending. Although the Authority's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Authority does not have any bonded debt.

**Huron-Clinton Metropolitan Authority's
Net Assets**

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
Current and other assets	\$68,971,540	\$69,307,336
Capital assets	<u>184,254,738</u>	<u>175,741,636</u>
Total assets	<u>253,226,278</u>	<u>245,048,972</u>
Long-term liabilities outstanding	3,567,423	3,390,965
Other liabilities	<u>38,457,743</u>	<u>38,447,922</u>
Total liabilities	<u>42,025,166</u>	<u>41,838,887</u>
Net assets:		
Invested in capital assets	184,254,738	175,741,636
Unrestricted	<u>26,946,374</u>	<u>27,468,449</u>
Total net assets	<u>\$211,201,112</u>	<u>\$203,210,085</u>

No portion of the Authority's net assets represent resources that are subject to external restrictions on how they may be used. The *unrestricted net assets* may be used to meet the Authority's ongoing obligations for park and recreation facilities and services to citizens and creditors.

At the end of the current year, the Authority is able to report a positive balance in net assets. The same situation held true for the prior fiscal year.

The Authority's net assets increased by \$7,991,027 during the current year. Nearly all of this increase represents additional investment by the Authority in capital assets, net of depreciation.

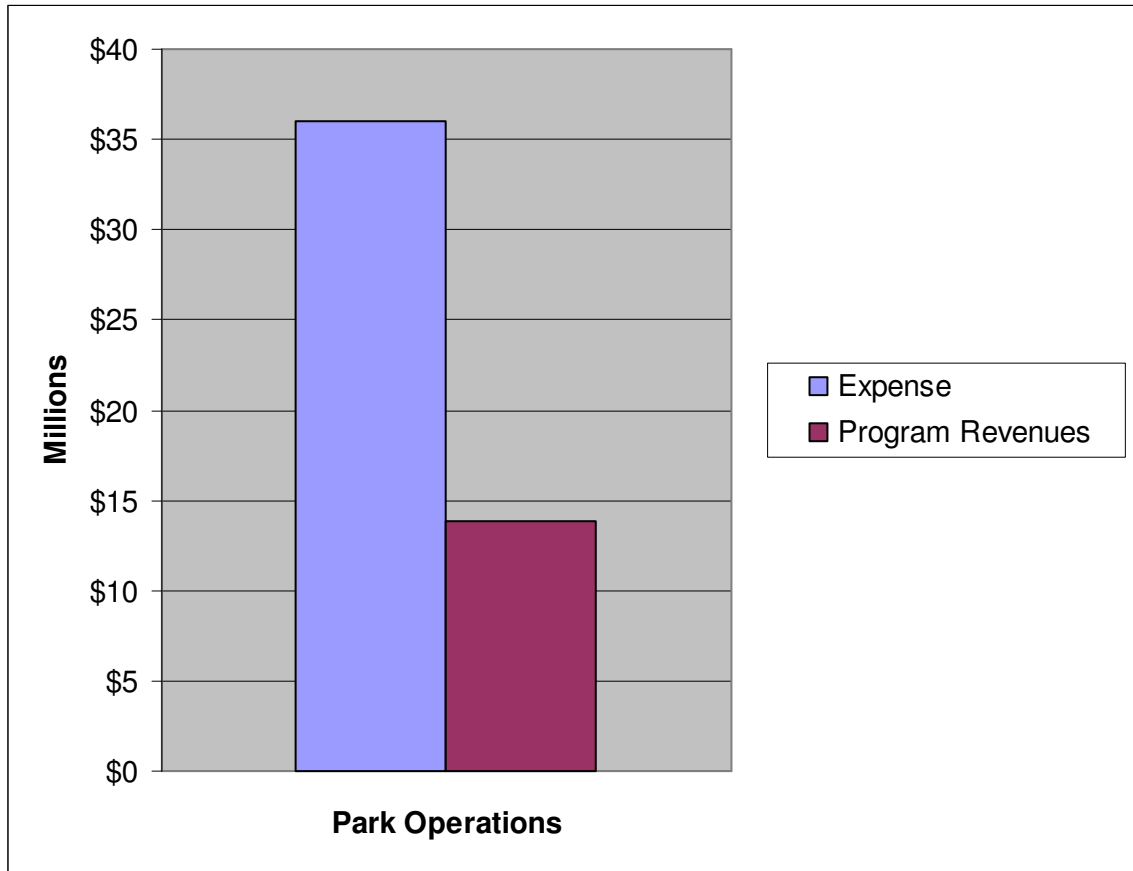
**Huron-Clinton Metropolitan Authority
Changes in Net Assets**

	Governmental Activities	
	2007	2006
Revenue:		
Program revenue:		
Park charges for services	\$13,807,794	\$12,814,635
Operating grants	59,890	78,989
General revenue:		
Property taxes	34,481,626	32,650,984
Oil and gas royalties	646,865	767,856
Donations	306,885	128,136
Interest	2,174,904	2,003,680
Miscellaneous	52,467	1,449,148
Total revenue	<u>51,530,431</u>	<u>49,893,428</u>
Expenses:		
Park operations	35,992,485	34,409,197
Administrative office	5,618,808	5,408,260
Major maintenance	761,662	693,405
General engineering/planning	1,166,449	1,095,958
Interest on long-term debt	-	667
Local cost share projects	-	14,908
Total expenses	<u>43,539,404</u>	<u>41,622,395</u>
Increase in net assets	7,991,027	8,271,033
Net assets – beginning of year	<u>203,210,085</u>	<u>194,939,052</u>
Net assets – end of year	<u>\$211,201,112</u>	<u>\$203,210,085</u>

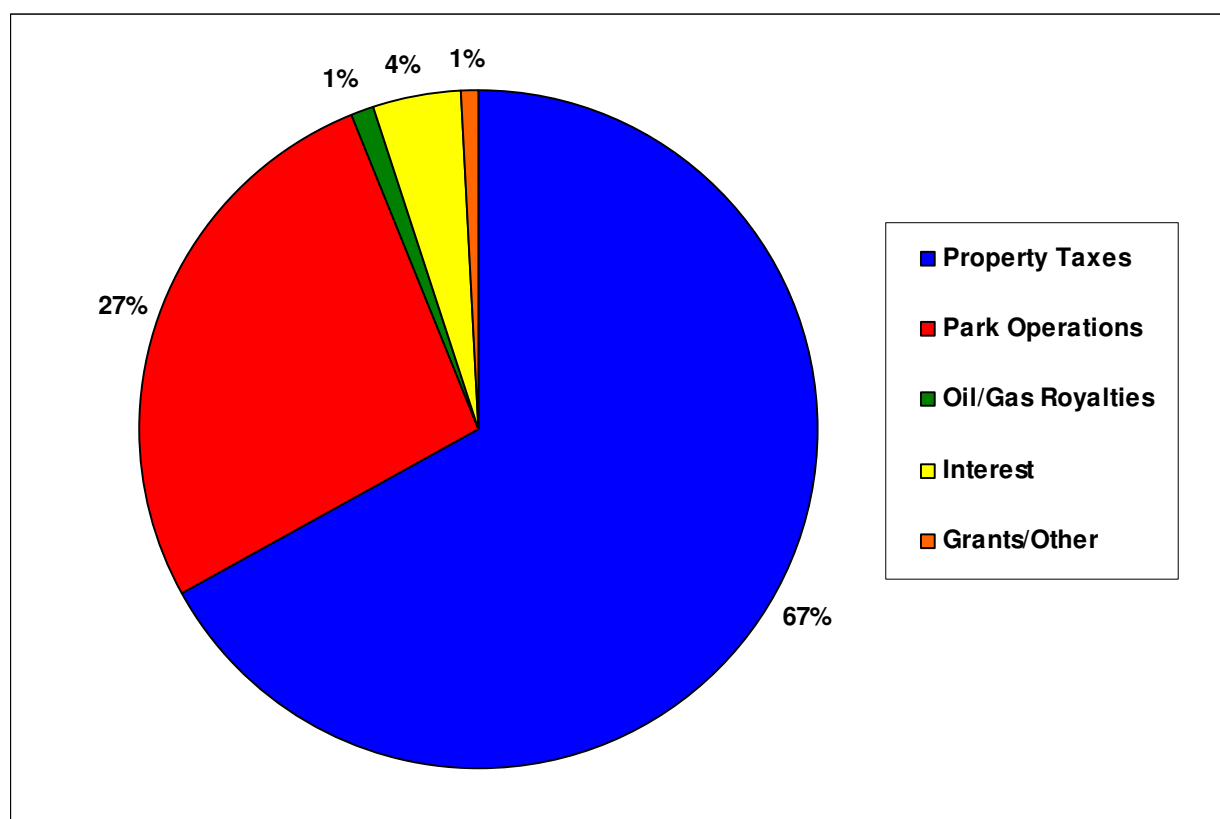
Governmental activities. Governmental activities increased the Authority's net assets by \$7,991,027. Key elements of this increase are as follows:

- Property tax collections increased by \$1,830,642 (5.6 percent) during the year. Most of this increase is the product of increased taxable values and new construction, both residential and commercial/industrial within the five-county park district.
- Park charges for services increased by \$993,159 (7.8 percent) due mainly to the self operation of the Stony Creek Golf Course and a new Squir Zone at Kensington Metropark.
- Direct operating expenses of the Metropark system increased \$1.9 million (4.6 percent).
- 2007 revenues exceeded 2007 expenses by \$8.0 million, about the same level as in 2006. These excess funds are used for Authority capital outlays.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the Authority's governmental funds reported a combined ending fund balance of \$30,752,572, a decrease of \$243,316 compared with 2006. Approximately eighty-eight percent of this total amount (\$27.0 million) constitutes *unreserved fund balance*, which has been designated by the Authority for 2008 capital appropriations, supplemental major maintenance capital appropriations and the 2008 Budget. The remainder of fund balance (\$3.7 million) is *reserved* to indicate that it is not available for new spending because it has already been committed for: (1) capital improvement projects under contract, (2) equipment purchases on order, (3) engineering and consulting work under contract, (4) operating supplies inventory for consumption in park operations, and (5) a contingency fund for uninsured insurance claims.

The general fund is the primary operating fund of the Authority. At the end of the current year, unreserved fund balance of the general fund was \$21,249,235, while total fund balance was \$24,633,351. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents forty-one percent of total general fund expenditures. The majority of the unreserved fund balance (\$16.9 million) has been designated by the Authority's Board of Commissioners for capital improvement projects and land acquisition. At the end of the year, no formal contractual commitments with outside parties have been made for these funds.

The fund balance of the Authority's general fund decreased by \$409,192.

The following paragraphs present a summary of general fund revenues, which totaled \$50,666,893 for 2007, an overall increase of \$1,793,004 over 2006. Revenues by source were as follows:

<u>Revenue</u>	<u>2007 Amount</u>	<u>Percent of Total</u>	<u>2006 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Property Taxes	\$34,547,937	68.2%	\$32,597,201	\$1,950,736	6.0%
Park Operations	13,807,794	27.3%	12,814,635	993,159	7.8%
Interest	1,891,920	3.7%	1,736,966	154,954	8.9%
Grants	59,890	0.1%	78,989	(19,099)	(24.2%)
Donations	306,885	0.6%	128,136	178,749	139.5%
Miscellaneous	52,467	0.1%	1,517,962	(1,465,495)	-
Totals	<u>\$50,666,893</u>	<u>100.0%</u>	<u>\$48,873,889</u>	<u>\$1,793,004</u>	<u>3.7%</u>

Although the Authority's millage rate continues to be rolled back at .2146 mills in 2007 and local community captured taxes (DDA's, TIFA's, etc.) continued to grow, net property tax collections moved up to \$34.5 million. The collection rate on the Authority's 2007 tax levy continued strong, as 99.6 percent of the adjusted 2007 levy has been collected. Taxes continue to be the Authority's primary source of revenue and provide a stable base of funds to operate the Metropark system.

The \$13,808,000 of 2007 park operating revenues came very close to meeting the 2007 budget goal of \$13,993,000, missing by only \$185,000 (1.3 percent). Weather patterns generally drive Authority park operating revenues. Poor spring weather caused the Authority to miss out on some early season revenues. During the three core summer months, the Authority experienced generally favorable weather patterns which lasted to the end of October. The \$13,808,000 generated in 2007 represented a \$993,000 (7.8 percent) growth over 2006 revenues. As planned, two new facilities produced this growth: (1) the Splash-N-Blast water facility at Kensington (\$196,000), and (2) self operation of the Stony Creek Golf Course (\$838,000). The weak southeast Michigan economy continues to hurt the Authority's leading revenue source – golf – which lost another 10,400 rounds. Revenues at all regulation golf courses, other than Stony Creek Golf Course, declined by \$210,000 (4.3 percent).

Fortunately, the park operating revenue shortage was offset by an overage in interest revenues, which grew to \$1,892,000, surpassing budgeted amounts by \$342,000. This interest income is derived from investments in Certificates of Deposit and U.S. Agency issues. Due to the Authority receiving most of our tax funds in the first few months of 2007 and investing them before interest rates started to decline, the Authority benefited from higher yielding investments. The average yield on Authority investments was 5.2 percent throughout 2007.

The Authority recognized \$60,000 from various grant projects in 2007. The Authority recognized \$52,000 of miscellaneous revenues.

Donations totaled \$307,000 in 2007. The vast majority of these donations came to the Authority through the efforts of the Huron-Clinton Metroparks Foundation. Two donations related to recording the value of capital items received: (1) \$150,000 for a new Mobile Learning Center semi-trailer, and (2) \$31,000 for the Sunroom at Stony Creek Nature Center. A \$38,000 donation was received for the construction of a large gathering shelter at Kensington Farm Center. There was \$25,000 received for the construction of a fishing pond at Wolcott Farm. A \$10,000 anonymous donation was received to assist in the construction of the “Kid’s Cottage” at the Kensington Farm Center. Various other cash donations totaling \$17,400 were received for picnic tables, trees, benches, deer processing, Earth Day, fireworks and interpretive center donation boxes.

General fund expenditures were \$51,335,649, an increase of \$1,494,970 over 2006’s expenditures. A detailed breakdown of expenditures by major category is as follows:

<u>Expenditure</u>	<u>2007 Amount</u>	<u>Percent of Total</u>	<u>2006 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Engineering/Planning	\$769,138	1.5%	\$723,530	\$45,608	6.3%
Capital Improvements	9,264,959	18.0%	9,663,892	(398,333)	(4.1%)
Equipment	3,006,105	5.9%	2,497,008	509,097	20.4%
Land Acquisition	12,850	-	213,825	(200,975)	(94.0%)
Major Maintenance	761,662	1.5%	693,405	68,257	9.8%
General					
Administration	5,470,820	10.6%	5,337,720	133,100	2.5%
General Planning and					
Engineering	1,164,439	2.3%	1,068,791	95,648	9.0%
Park Operations	30,885,676	60.2%	29,616,888	1,268,788	4.3%
Debt Service	-	-	25,620	(25,620)	-
Totals	<u>\$ 51,335,649</u>	<u>100.0%</u>	<u>\$49,840,679</u>	<u>\$1,494,970</u>	<u>3.0%</u>

Engineering and Planning Department expenses are divided between capital outlays and current operating expenditures. The engineering and planning capital expenditures that are capitalized reflect expenses incurred on capital projects while they are planned and designed, prior to the awarding of a construction contract. These costs totaled \$769,000 in 2007, up slightly from 2006 levels. The general planning and engineering current operating expenditures reflect planning and engineering expenses of a general nature that are not specifically tied to a capital improvement

project. These expenditures include general planning studies, conceptual studies, community relations, Administrative Office overhead personnel, departmental fringe benefits and leave time. These expenses totaled \$1,164,000 in 2007, compared to \$1,069,000 in 2006.

Capital improvement outlays cover construction projects that exceed the Authority's \$10,000 capitalization limit. Throughout 2007, the Authority spent a total of \$9.3 million on 52 separate capital improvement projects within the Metropark system. This represents the second consecutive year that capital improvement expenditures have topped \$9.0 million. These projects enhanced the Authority's recreational facilities offered the public in terms of park roads, walks, parking lots, buildings, aquatic facilities, utilities, landscaping, golf courses and other improvements. Many of the more significant 2007 capital improvement projects have been previously highlighted under the **MAJOR INITIATIVES** section of this report.

Equipment having an individual value in excess of \$600 is capitalized. During 2007 a total of \$3.0 million was spent equipping the Metropark system, up from 2006's level. Heavy equipment (mowers, tractors, golf cars, etc.) purchases accounted for \$2.1 million of equipment expenditures. Auto and truck acquisitions totaled \$0.7 million. Initial equipping of the Stony Creek Golf Course accounted for most of the \$509,000 increase in equipment outlays.

The Authority classifies all non-recurring repair/maintenance-type projects that exceed \$10,000 as Major Maintenance expenses. These projects do not substantially improve or alter an existing facility and, therefore, are not capitalized. During 2007, Metropark facilities were renovated with 32 separate projects at a cost of \$762,000.

General Administration costs reflect the costs of running the Authority's centralized Administrative Office, which ran \$5.5 million in 2007. This covers the cost of 27 full time employees, 122 retired employees (health care benefits), materials, supplies and outside consultants utilized in managing the entire Metropark system. Personnel costs were relatively flat, increasing only \$48,000 (1 percent). Materials/supplies/outside consulting services associated with the operation of the Administrative Office increased by \$85,000 (8 percent).

The direct operating costs associated with operating and maintaining the 13 Metroparks consumed \$30.9 million of Authority funds. Comparing this \$30.9 million of park operating costs to 2006 expenditures of \$29.6 million shows that overall park operating costs increased \$1.3 million or 4.3 percent. Personnel related costs, which make up 76 percent of park operating expenses, rose \$952,000 (4.2 percent) to \$23.5 million. Contributing factors include: (1) full time wages rising \$247,000, reflecting the 3.25 percent negotiated average wage increase; (2) part time wages declining \$156,000 due to closer monitoring of staffing levels; and (3) retirement costs pushing up \$262,000. Looking at the material/supply/outside contractual service costs to run the Metroparks operations shows that overall these costs ran \$7.4 million in 2007, an increase of \$318,000 (4.5 percent) over 2006. These increased costs can be mainly attributed to the increased costs of operating the Stony Creek Golf Course.

General Fund Budgetary Highlights

Over the course of the year, the Authority's Board of Commissioners revised the Authority budget several times. These budget amendments fall into three categories:

- Increases in appropriations to prevent overruns for capital or operating expenditures.
- Amendments made shortly after the beginning of the year to reflect carryover capital appropriations.
- Amendments made to increase revenue/expenditure budgets for events that were not properly anticipated when the budget was compiled.

Differences between the original budget and the final amended budget were generally minor with the following exceptions:

- The \$1.1 million decrease in budgeted property tax revenues results mainly from local units of government capturing Authority tax revenues under various tax abatement programs.
- The \$8.1 million increase in capital expenditures budget relates mainly to capital improvement appropriations (\$7.5 million), engineering/planning appropriations (\$0.2 million) and equipment appropriations (\$0.4 million) that were carried over from 2006.

During the year, general fund revenues exceeded final budgetary estimates in total by \$370,000, mainly because interest revenues grew faster than expected. All operating and capital expenditure categories were within amended budgeted amounts.

Capital Asset and Debt Administration

Capital assets. The Authority's investment in capital assets for its governmental-type activities as of December 31, 2007 amounted to \$184,254,738 (net of accumulated depreciation). This investment in capital assets includes land, land improvements (golf courses, etc.), buildings, roads, bridges, sewer/water systems, park facilities and equipment. The total increase in the Authority's investment in capital assets (net of depreciation) for the year was five percent (\$8.5 million).

Major capital asset events during the current year included the following:

• Central Plaza Redevelopment*	Metro Beach	\$ 538,000
• Farm Center Food Bar	Kensington	85,000
• Aquatic Play Area	Kensington	341,000
• Family Aquatic Center*	Lower Huron	6,778,000
• Hike/Bike Trail - West River*	Hudson Mills	91,000
• Ridgewood Comfort Station*	Stony Creek	139,000
• Nature Center	Stony Creek	105,000
• Stony Creek Golf Course	Stony Creek	140,000
• Hike/Bike Trail Reconstruction	Indian Springs	114,000
• Heavy Equipment	All Parks	2,067,000
• Autos/Trucks	All Parks	667,000

* Denotes construction in progress.

**Huron-Clinton Metropolitan Authority's
Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2007	2006
Land	\$43,659,875	\$43,647,027
Land Improvements	31,925,099	31,160,879
Construction in Progress	15,354,008	16,573,845
Buildings	36,908,741	28,139,833
Equipment	11,052,225	10,190,620
Other Improvements	24,399,159	24,551,646
Infrastructure	20,955,631	21,477,786
Total	<u>\$184,254,738</u>	<u>\$175,741,636</u>

Additional information on the Authority's capital assets can be found in note III.C. in the Notes to Financial Statements.

Long-term debt. The Authority has recognized \$4,621,234 in accrued compensated absences.

The Authority has no bonded debt or capital leases.

Additional information on the Authority's long-term debt can be found in note III.D. in the Notes to Financial Statements.

Economic Factors and Next Year's Budget and Rates

The following factors guided the preparation of the Authority's 2008 budget:

- The Board of Commissioner's approved a new Five-Year Plan for 2008 to 2012 providing general guidance on the allocation of Authority funds, both capital and operational.
- Property tax revenues were based on a rolled back millage rate of .2146 mills. The 2008 Budget was based on "net" tax levy revenues of \$35.9 million after factoring out estimated captured tax revenues from tax abatement programs.

- Park operating revenues for 2008 are expected to grow nearly \$0.7 million due to (1) the opening of the Lower Huron Family Aquatic Center and (2) fee increases at the Metro Beach and Willow pools and Hudson Mills Disc Golf Course.

Requests for Information

This financial report is designed to provide a general overview of the Huron-Clinton Metropolitan Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, Huron-Clinton Metropolitan Authority, 13000 High Ridge Drive, Brighton, Michigan, 48114-9058.

Basic Financial Statements

Financial Section

Statistical Section

Basic Financial Statements

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2007

	General Fund	Capital Projects	Total	Adjustments	Statement of Net Assets
ASSETS					
Cash and cash equivalents	\$ 2,003,007	\$ 1,501,399	\$ 3,504,406	\$ -	\$ 3,504,406
Investments	23,738,299	4,569,219	28,307,518	-	28,307,518
Property taxes receivable	36,624,701	-	36,624,701	-	36,624,701
Supplies inventory	251,511	-	251,511	-	251,511
Due from other governmental units	82,402	-	82,402	-	82,402
Internal receivables	4,014	-	4,014	(4,014)	-
Other assets	44,864	156,138	201,002	-	201,002
Capital assets, not being depreciated	-	-	-	90,938,982	90,938,982
Capital assets, net of accumulated depreciation	-	-	-	93,315,756	93,315,756
Total assets	\$ 62,748,798	\$ 6,226,756	\$ 68,975,554	\$ 184,250,724	\$ 253,226,278
LIABILITIES					
Accounts payable	\$ 457,009	\$ -	\$ 457,009	-	457,009
Accrued payroll and benefits payable	760,609	-	760,609	-	760,609
Internal payables	-	4,014	4,014	(4,014)	-
Deferred / Unearned revenue	36,621,221	-	36,621,221	(815,036)	35,806,185
Other liabilities	276,608	103,521	380,129	-	380,129
Noncurrent liabilities					
Due within one year	-	-	-	1,053,811	1,053,811
Due after one year	-	-	-	3,567,423	3,567,423
Total liabilities	\$ 38,115,447	\$ 107,535	\$ 38,222,982	\$ 3,802,184	\$ 42,025,166
FUND BALANCES/NET ASSETS					
Fund balances					
Reserved					
Encumbrances	2,842,253	344,255	3,186,508	(3,186,508)	-
Supplies inventory	251,511	-	251,511	(251,511)	-
Contingencies	290,352	-	290,352	(290,352)	-
Unreserved					
Designated for capital appropriations	16,940,032	54,031	16,994,063	(16,994,063)	-
Designated for supplemental major maintenance	-	5,720,935	5,720,935	(5,720,935)	-
Undesignated	4,309,203	-	4,309,203	(4,309,203)	-
Total fund balances	24,633,351	6,119,221	30,752,572	(30,752,572)	-
Total liabilities and fund balances	\$ 62,748,798	\$ 6,226,756	\$ 68,975,554		
Net assets					
Invested in capital assets				184,254,738	184,254,738
Unrestricted				26,946,374	26,946,374
Total net assets				\$ 211,201,112	\$ 211,201,112

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

RECONCILIATION OF THE STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2007

Fund balance - total governmental funds	\$ 30,752,572
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When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the Authority as a whole.

Cost of capital assets	240,609,880
Accumulated depreciation	<u>(56,355,142)</u>
Net capital assets	<u>184,254,738</u>

Since governmental funds recognize revenue on the modified accrual basis of accounting, the proceeds on sale of land under a land contract sale is not recognized as revenue in the governmental funds until it is "available." However, in the statement of activities, the sale of the land is recognized in revenue.

	82,402
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Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

	732,634
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Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net assets.

Compensated absences	<u>(4,621,234)</u>
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Net assets - total governmental activities	<u><u>\$211,201,112</u></u>
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The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Fund	Capital Projects	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Park operating					
Operations	\$ 30,885,676	\$ -	\$ 30,885,676	\$ 5,106,809	\$ 35,992,485
Major maintenance	761,662	-	761,662	-	761,662
Administrative offices	5,470,820	-	5,470,820	147,988	5,618,808
General planning and engineering	1,164,439	-	1,164,439	2,010	1,166,449
Total current operating	<u>38,282,597</u>	<u>-</u>	<u>38,282,597</u>	<u>5,256,807</u>	<u>43,539,404</u>
Capital outlay					
Engineering and planning	769,138	120,298	889,436	(889,436)	-
Capital improvements	9,264,959	643,675	9,908,634	(9,908,634)	-
Equipment	3,006,105	-	3,006,105	(3,006,105)	-
Land acquisitions	12,850	-	12,850	(12,850)	-
Total capital outlay	<u>13,053,052</u>	<u>763,973</u>	<u>13,817,025</u>	<u>(13,817,025)</u>	<u>-</u>
Total expenditures/expenses	<u>51,335,649</u>	<u>763,973</u>	<u>52,099,622</u>	<u>(8,560,218)</u>	<u>43,539,404</u>
PROGRAM REVENUES					
Park charges for services	13,807,794	-	13,807,794	-	13,807,794
Operating grants	59,890	-	59,890	-	59,890
Total program revenues	<u>13,867,684</u>	<u>-</u>	<u>13,867,684</u>	<u>-</u>	<u>13,867,684</u>
Net program expense					<u>29,671,720</u>
GENERAL REVENUES					
Property taxes	34,547,937	-	34,547,937	(66,311)	34,481,626
Oil and gas royalties	-	646,865	646,865	-	646,865
Donations	306,885	-	306,885	-	306,885
Interest	1,891,920	282,984	2,174,904	-	2,174,904
Proceeds from sale of capital assets	259,564	-	259,564	(259,564)	-
Miscellaneous	52,467	-	52,467	-	52,467
Total general revenues	<u>37,058,773</u>	<u>929,849</u>	<u>37,988,622</u>	<u>(325,875)</u>	<u>37,662,747</u>
Net change in fund balances	<u>(409,192)</u>	<u>165,876</u>	<u>(243,316)</u>	<u>243,316</u>	<u>-</u>
Change in net assets	-	-	-	7,991,027	7,991,027
Fund balance/net assets, beginning of year	<u>25,042,543</u>	<u>5,953,345</u>	<u>30,995,888</u>	<u>172,214,197</u>	<u>203,210,085</u>
Fund balance/net assets, end of year	<u>\$ 24,633,351</u>	<u>\$ 6,119,221</u>	<u>\$ 30,752,572</u>	<u>\$ 180,448,540</u>	<u>\$ 211,201,112</u>

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

RECONCILIATION OF THE STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2006

Net change in fund balances - total governmental funds	\$ (243,316)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Add capital outlay expense	13,817,025
Less current year depreciation	(4,977,003)
Less book basis in assets sold	(328,574)

Because some property taxes will not be collected for several months after the Authority's fiscal year end, they are not considered as "available" revenues in the governmental funds. Similarly, some property taxes may ultimately be uncollectable and an allowance for these collectibles has been established in the statement of activities.

(66,311)

Because compensated absences will not be paid using current financial resources, they are not included in the governmental funds. However, the liability results in an expense in the statement of activities.

(210,794)

Change in net assets of governmental activities	\$ <u>7,991,027</u>
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The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 35,636,033	\$ 34,547,937	\$ 34,547,937	\$ -
Park operations	13,992,600	13,993,300	13,807,794	(185,506)
Interest	1,550,000	1,550,000	1,891,920	341,920
Operating grants	-	-	59,890	59,890
Donations	-	181,000	306,885	125,885
Miscellaneous	25,000	25,000	52,467	27,467
Total revenues	51,203,633	50,297,237	50,666,893	369,656
Expenditures				
Operating				
Major maintenance	2,208,000	2,040,500	761,662	1,278,838
Administrative offices	5,566,500	5,624,400	5,470,820	153,580
General planning and engineering	1,001,900	1,207,192	1,164,439	42,753
Park operations	31,869,400	32,238,800	30,885,676	1,353,124
Total operating	40,645,800	41,110,892	38,282,597	2,828,295
Capital				
Engineering and planning	1,411,700	1,589,640	769,138	820,502
Capital improvements	14,452,000	21,928,090	9,264,959	12,663,131
Equipment	3,000,000	3,399,910	3,006,105	393,805
Land acquisitions	5,539,500	5,555,349	12,850	5,542,499
Total capital	24,403,200	32,472,989	13,053,052	19,419,937
Total expenditures	65,049,000	73,583,881	51,335,649	22,248,232
Revenues over (under) expenditures before other financing sources	(13,845,367)	(23,286,644)	(668,756)	22,617,888
Other financing sources				
Proceeds from sale of capital assets	200,000	200,000	259,564	59,564
Net change in fund balances	(13,645,367)	(23,086,644)	(409,192)	22,677,452
Fund balance, beginning of year	25,042,543	25,042,543	25,042,543	-
Fund balance, end of year	\$ 11,397,176	\$ 1,955,899	\$ 24,633,351	\$ 22,677,452

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
SEPTEMBER 30, 2007

ASSETS

Cash and cash equivalents	\$ 367,053
Investments, fair value	
Immediate participation contracts	1,372,082
Stock/bond funds	30,043,564
U.S. Government agencies	5,756,483
Guaranteed investment contracts	4,377,308
Total investments	41,549,437
Total assets	41,916,490

LIABILITIES

Net assets held in trust for pension and post-employment benefits	-
	<u>\$ 41,916,490</u>

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

ADDITIONS

Employer contributions	<u>\$ 2,380,093</u>
Investment income	
Net increase in fair value of investments	3,249,319
Interest	648,021
Investment expense	<u>(75,244)</u>

Net investment income	<u>3,822,096</u>
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Total additions	<u>6,202,189</u>
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DEDUCTIONS

Benefits	<u>1,618,325</u>
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Net increase for the year	4,583,864
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Net assets held in trust for pension and post-employment benefits, beginning of year	<u>37,332,626</u>
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Net assets held in trust for pension and post-employment benefits, end of year	<u><u>\$ 41,916,490</u></u>
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The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Huron-Clinton Metropolitan Authority (“the Authority”) was created in 1939 as a special district form of government to provide recreational facilities and services to residents of Livingston, Macomb, Oakland, Washtenaw, and Wayne Counties. The Authority is governed by a Board of Commissioners, which consists of a Commissioner appointed by the Board of Commissioners from each of the five participating counties, and two Commissioners appointed by the Governor of Michigan. Principal funding for the Authority is derived from a property tax levy assessed in each of the five participating counties.

The Authority has determined that no entities should be consolidated into its basic financial statements as component units. The criteria for including a component unit include entities for which the government is considered to be financially accountable. Therefore, the reporting entity consists only of the primary government.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental funds:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* is used to record supplemental major maintenance projects of the Authority, which are nonrecurring expenditures to repair or replace existing park facilities. As designated by the Authority, oil and gas revenues received are earmarked to fund these projects.

In addition, the government reports the following fund types:

The *pension and other employee benefit trust funds* account for the Authority's single employer, defined benefit pension plan and other post employment benefits, which accumulate resources for pension benefit and other post-

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

employment benefit payments to qualified Authority employees. The Funds are based on the Plans' September 30th fiscal year ends.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to park customers, and 2) capital and operating grants. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes along with oil and gas royalties.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets

1. Deposits and investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

All property tax receivables are shown net of an allowance for uncollectible amounts. The allowance is estimated based upon the original year of the assessment and uses a graduated percentage ranging from 10 to 100 percent of the balance outstanding.

Real and personal property taxes are levied on December 1 on the taxable value of property located in the Counties as of the preceding December 31 (lien date). Taxable values are established annually by municipalities and are equalized by the Counties and State at 50% of estimated current market value or less. The Authority’s operating tax rate for the 2006 levy (2007 property tax revenue) was .2146 mills. Taxes are receivable on the levy date and become delinquent on March 1 the following year. Property tax revenues are recognized as revenues in the operating year in which the levy is intended to fund to the extent that they are measurable and available, and collected within sixty days after year end.

3. Inventories and prepaid items

Inventory maintained by the General Fund is valued at average cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Certain payments made to vendors are for services applicable to future accounting periods and are included as other asset items in both the government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, buildings, equipment, other improvements and infrastructure (e.g., roads, bridges, paved pathways and water/sewer lines), are reported in the Statement of Net Assets column in the basic financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$600 for equipment and \$10,000 for all other assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Infrastructure	15-50
Other improvements	15-50
Equipment	6-25

5. Compensated absences

The Authority allows employees to earn annual leave benefits and sick leave termination bonuses based, in part, on length of service. Annual leave is fully vested when earned and sick leave termination bonuses vest upon completion of ten years of service. Upon termination, employees are paid their accumulated sick leave termination bonuses and annual leave depending upon the nature of separation (death, retirement, or termination). All vacation pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets.

7. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

A budget for the General Fund is adopted, on a basis consistent with generally accepted accounting principles (GAAP), and is adopted on a category level. An operating budget including major maintenance, park operations and general administration categories lapses at year end. Capital outlay budgets including engineering and general planning, capital improvements, equipment and land acquisition categories do not lapse at year-end.

Adoption and amendments of budgets used by the Authority are governed by Public Act 621. The governing body must approve the budget and amendments, including supplemental appropriations at the category level. The Authority's management can transfer appropriations between line items within a category without governing body approval.

B. Excess expenditures over appropriations

During the year ended December 31, 2007, the Authority incurred no expenditures that were in excess of the budgetary amounts.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Summary of Deposit and Investment Balances

Following is a reconciliation of deposit and investment balances as of December 31, 2007:

<u>Deposits and Investments</u>	<u>Deposits</u>	<u>Investment</u>	<u>Other</u>	<u>Total</u>
Governmental - wide financial statement captions				
Cash and cash equivalents	\$ 3,478,256	\$ -	\$26,150	\$ 3,504,406
Investments	11,079,701	17,227,817	-	28,307,518
Fiduciary fund financial statement captions				
Cash and cash equivalents	367,053	-	-	367,053
Investments	-	41,549,437	-	41,549,437
	<u>\$ 14,925,010</u>	<u>\$58,777,254</u>	<u>\$26,150</u>	<u>\$73,728,414</u>

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

The amounts included in the “Other” category above represent petty cash, change funds, and accrued interest.

Statutory Authority

The Authority is authorized by statute to invest surplus funds in the following:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers’ acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940, limited to mutual fund securities whose intention is to maintain a net asset value of \$1.00 per share.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Board of Commissioners is authorized to designate depositories for the Authority’s funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The Authority's deposits are in accordance with statutory authority.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

The Authority's investments are categorized below to give an indication of the level of risk assumed by the entity at December 31, 2007.

Type of investment	RATING			Total
	AAA	AA	NR	
US Agencies 1 to 6 years	\$ 22,984,300	\$ -	\$ -	\$ 22,984,300
Guaranteed Interest Contracts less than 1 year	-	4,377,308	-	4,377,308
Immediate Participation Contracts 1 to 6 years	-	1,372,082	-	1,372,082
Mutual Funds	-	-	30,043,564	30,043,564
	<u>\$ 22,984,300</u>	<u>\$ 5,749,390</u>	<u>\$ 30,043,564</u>	<u>\$ 58,777,254</u>

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the above list of authorized investments. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. In compliance with State law, the Authority's investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk. As of December 31, 2007, the Authority's investments in corporate bonds and corporate asset-backed securities were within these guidelines.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require and the Authority does not have a policy for deposit custodial credit risk. As of year-end, \$14,088,434 of the Authority's bank balance of \$14,631,438 was exposed to custodial credit risk because it was uninsured and uncollateralized.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are either uninsured, unregistered, and held by a counterparty in the Authority's name or are uncategorized as to credit risk.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Authority's investment policy does not have specific limits in excess of state law on concentration of credit risk. The investments that exceed 5% of the Authority's total investments are in mutual funds, investment pools, and US Agencies securities. All investments held at year-end are reported above.

B. Receivables

Receivables as of year-end for the governmental activities in the aggregate, are as follows:

Taxes	\$ 36,624,701
Due from other governments, current	1,753
Due from other governments, non-current	<u>80,649</u>
Total	<u>\$ 36,707,103</u>

Taxes receivable consist of the 2007 levy to be received in 2008 as well as delinquent personal property taxes. They are shown net of the allowance for doubtful accounts of \$1,817,329.

The current and non-current amount due from other governments is a receivable from a municipality for land sold by the Authority on a land contract sale. This amount is receivable over 25 years.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Taxes receivable	\$ 36,524,080
Due from other governments, current	1,753
Due from other governments, non-current	80,649
Deferred operating revenue	<u>14,739</u>
Total deferred revenue for governmental funds	<u>\$ 36,621,221</u>

Interfund Receivables and Payables

<u>Due to</u>	<u>Due from Capital Projects</u>
General fund	<u>\$ 4,014</u>

The outstanding balance between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

C. Capital Assets

Capital assets activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 43,647,027	\$ 12,848	\$ -	\$ -	\$ 43,659,875
Land improvements	31,160,879	117,910	-	646,310	31,925,099
Construction in progress	16,573,845	9,036,767	-	(10,256,604)	15,354,008
Total capital assets not being depreciated	91,381,751	9,167,525	-	(9,610,294)	90,938,982
Capital assets being depreciated					
Buildings	42,049,772	188,630	(175,580)	9,457,714	51,520,536
Equipment	21,866,557	3,006,103	(1,403,262)	-	23,469,398
Other improvements	36,654,240	908,867	(156,370)	16,380	37,423,117
Infrastructure	36,797,022	545,900	(221,275)	136,200	37,257,847
Total capital assets being depreciated	137,367,591	4,649,500	(1,956,487)	9,610,294	149,670,898
Less accumulated depreciation					
Buildings	(13,909,939)	(841,534)	139,678	-	(14,611,795)
Equipment	(11,675,937)	(1,853,481)	1,112,245	-	(12,417,173)
Other improvements	(12,102,594)	(1,077,732)	156,368	-	(13,023,958)
Infrastructure	(15,319,236)	(1,204,256)	221,276	-	(16,302,216)
Total accumulated depreciation	(53,007,706)	(4,977,003)	1,629,567	-	(56,355,142)
Total capital assets being depreciated, net	84,359,885	(327,503)	(326,920)	9,610,294	93,315,756
Governmental activities capital assets, net	\$175,741,636	\$8,840,022	(\$326,920)	\$ -	\$184,254,738

Depreciation expense was charged to functions/programs of the Authority as follows:

Governmental activities	
Park operations	\$ 4,865,465
Administrative offices	<u>111,538</u>
Total depreciation expense - governmental activities	<u>\$ 4,977,003</u>

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

D. Long Term Debt

Accrued compensated absences amounted to \$4,621,234 at year-end. Of this amount \$1,053,811 is expected to be paid in the following year.

Changes in long-term debt

Long-term liability activity for the year ended December 31, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	<u>\$ 4,410,440</u>	<u>\$ 1,448,217</u>	<u>\$ (1,237,423)</u>	<u>\$ 4,621,234</u>	<u>\$ 1,053,811</u>

V. OTHER INFORMATION

A. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Authority carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

B. Contingent Liabilities

The Authority has received state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

C. Construction Commitments

The Authority has established several construction contracts for various projects throughout its park operations. The total of these contracts is \$2,184,579 of which \$346,520 has been paid resulting in remaining commitments in the amount of \$1,838,059.

D. Other Post Employment Benefits

In addition to providing pension benefits, the Authority provides certain health care and life insurance benefits for retired employees as established by collective bargaining agreements with local union organizations as approved by the governing board.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Substantially all of the Authority's employees may become eligible for these benefits when they retire, after attaining 10 years of credited service. These benefits are provided through insurance companies and their billings are based on the benefits paid during the year. The Authority recognizes the cost of providing these benefits by expensing the annual insurance company billings, which were \$1,044,249 for 2007. The number of participants currently eligible to receive benefits is 122.

On October 1, 2005 the Authority established the Retiree Health Care Plan & Trust (the "Plan & Trust") with a fiscal year ending September 30, 2007. The Authority contributed \$771,525 from the General Fund. This Plan and Trust was created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL 38.1211 et seq.), and shall constitute a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Plan and Trust was established to allow for the Authority's funding of retiree health care benefits, an essential governmental function. The Plan and Trust was created for the exclusive purpose of providing health care, dental, and optical insurance benefits or such other benefits approved by the Authority for the welfare of certain retirees and spouses eligible to receive a retirement benefit.

The Authority will be required to implement Governmental Accounting Standards Board (GASB) statement number 45 for the fiscal year ending December 31, 2008. This statement will require the Authority to recognize the liability for other postemployment benefits based on actuarial valuations and assumptions much like the Authority's Defined Benefit Pension Trust.

E. Defined Benefit Pension Plan

The following brief description of the Huron-Clinton Metropolitan Authority's Employee's Retirement Plan (The Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

1. Plan Description

The Plan is a single-employer noncontributory defined benefit pension plan covering substantially all of the Authority's full-time employees. The Plan's fiscal year end is September 30, however, the actuarial valuation of the funded status of the Plan is performed as of October 1 of each year. The Plan is included as a pension trust fund in the Authority's primary government financial statements and a stand-alone financial report of the Plan has not been issued. The Plan is administered by the Authority's Pension Committee as appointed by the Authority's Board of Commissioners. Benefit provisions and contribution requirements are established and may be amended by the Board of Commissioners.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

2. Eligibility

The Plan provides eligible participants with retirement benefits as well as disability benefits. All retirement benefits fully vest after ten years of credited service, with partial vesting granted for service less than ten years. Employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly in an amount equal to 2.0% of the highest consecutive five year average monthly earnings in the last ten years of service, with a maximum monthly benefit of 71% of the final average monthly earnings. Employees may retire at age 60 with an unreduced benefit only if they have 25 or more years of service at early retirement. Employees retiring at age 55 with ten years credited service are entitled to receive a reduced monthly retirement benefit.

At October 1, 2007 the Plan Participants consisted of:

Retirees and beneficiaries currently receiving benefits, terminated vested not receiving benefits and long term disabled employees	97
Current employees -	
Fully vested	160
Partially vested	<u>78</u>
Total	<u>335</u>

3. Investments

The Authority maintains an investment policy for the Plan which permits 5% to 40% of Pension Trust Fund assets to be invested in high quality fixed income securities, 15% to 50% in equity type securities and 25% to 60% in guaranteed rate of return contracts.

4. Required contributions

The Authority's funding policy provides for annual employer contributions at actuarially determined rates to fund the increase in prior service liabilities on a level percent of payroll over a thirty-year period. Employer contribution rates are determined using the Entry Age actuarial cost method. Employees are not required to contribute to the Plan.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

5. *Summary of significant accounting policies*

a. Basis of accounting

The Plan's financial statements are prepared using the accrual basis of accounting. The Authority's contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The administrative costs are financed through investment earnings.

b. Method used to value investments

Equity investments and bonds are reported at fair value. GIC investments are valued at estimated fair value. The investments of the Pension Trust Fund are not federally insured.

c. Annual pension cost and net pension obligation

The Authority's annual pension cost and net pension obligation to the Huron-Clinton Metropolitan Authority Employees Retirement Trust for the current year was as follows:

Annual required contribution/pension cost	\$ 1,608,568
Contribution made	<u>(1,608,568)</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u>\$ -</u>

The annual required contribution for the current year was determined as part of the October 1, 2006 actuarial valuation using the individual entry age actuarial cost method. Benefits are funded on a level percentage of earnings from each participant's date of participation to assumed retirement date. The effects of plan improvements and changes in assumptions are amortized over 30 years. The actuarial assumptions included (a) 8% investment rate of return on the investment, compounded annually, and (b) projected salary increases of 5% per year compounded annually. There is no assumption for cost of living or inflationary adjustments. Smoothed asset value that spreads the difference between the assumed return and the actual investment return over a five (5) year period was used to determine the actuarial value of assets. The amortization method used is a 30-year, level percent of payroll method where the effect of plan improvements and

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

changes in assumptions are amortized over 30 years on an open end basis. Gains and losses are not separately amortized but reduce or increase the amortization balances and payments.

d. Concentration of risk

The Authority has investments in individual organizations that each represents an amount of 5% or more of total plan net assets. These organizations are as follows:

<u>Organization</u>	<u>Investment Type</u>	<u>Percent</u>
John Hancock Life	Guaranteed Investment Contract	10%

e. Trend information

	<u>Ten-Year Trend Information</u>		
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/07	\$ 1,608,568	100%	\$ -
9/30/06	1,535,961	100%	-
9/30/05	1,481,046	100%	-
9/30/04	1,565,484	100%	-
9/30/03	1,428,188	100%	-
9/30/02	1,296,200	100%	-
9/30/01	1,024,200	100%	-
9/30/00	1,060,700	100%	-
9/30/99	1,109,700	100%	-
9/30/98	1,095,300	100%	-

f. Combining financial information

The combining financial information of the Authority's Pension Trust Fund and the Post employment Benefit Trust Fund, as of and for the year ended September 30, 2007, is as follows:

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

	Pension Trust Fund	Post- Employment Benefit Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 841	\$ 366,212	\$ 367,053
Investments, fair value			
Immediate participation contracts	1,372,082	-	1,372,082
Mutual funds	25,988,954	4,054,610	30,043,564
U.S. Government agencies	4,017,180	1,739,303	5,756,483
Guaranteed investment contracts	4,377,308	-	4,377,308
Total investments	35,755,524	5,793,913	41,549,437
Total assets	35,756,365	6,160,125	41,916,490
Net assets held in trust for benefits	\$ 35,756,365	\$ 6,160,125	\$ 41,916,490
	Pension Trust Fund	Post-Employment Benefit Trust Fund	Total
ADDITIONS			
Employer contributions	\$ 1,608,568	\$ 771,525	\$ 2,380,093
Investment income:			
Net increase in fair value of investments	2,911,218	338,101	3,249,319
Interest	413,400	234,621	648,021
Investment expense	(72,448)	(2,796)	(75,244)
Net investment income	3,252,170	569,926	3,822,096
Total additions	4,860,738	1,341,451	6,202,189
DEDUCTIONS			
Benefits	1,618,325	-	1,618,325
Net increase for the year	3,242,413	1,341,451	4,583,864
Net assets held in trust for benefits beginning of year	32,513,952	4,818,674	37,332,626
Net assets held in trust for benefits end of year	\$ 5,756,365	\$ 6,160,125	\$ 41,916,490

* * * * *

Required Supplementary Information

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

DEFINED BENEFIT PENSION TRUST TREND INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) Entry Level	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as Percent of Payroll
10/01/07	\$ 35,652,382	\$ 50,330,548	\$ 14,678,166	70.84%	\$ 14,166,942	103.61%
10/01/06	33,131,710	44,726,567	11,594,857	74.08%	13,573,781	85.42%
10/01/05	30,982,940	41,782,635	10,799,695	74.15%	13,218,446	81.70%
10/01/04	28,731,536	39,038,186	10,306,650	73.60%	12,766,133	80.73%
10/01/03	26,457,537	38,101,864	11,644,327	69.44%	12,679,185	91.84%
10/01/02	24,764,521	35,293,506	10,528,985	70.17%	11,891,095	88.55%
10/01/01	23,232,621	28,310,224	5,077,603	82.06%	11,367,338	44.67%
10/01/00	26,160,347	28,688,211	2,527,864	91.19%	11,127,368	22.72%
10/01/99	22,960,149	26,701,349	3,741,200	85.99%	10,471,482	35.73%
10/01/98	21,792,229	26,579,992	4,787,763	81.99%	10,330,159	46.35%

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Actual Annual Contribution	Percent of Required Contribution
9/30/07	\$1,608,568	\$1,608,568	100%
9/30/06	1,535,961	1,535,961	100%
9/30/05	1,481,046	1,481,046	100%
9/30/04	1,565,484	1,565,484	100%
9/30/03	1,428,188	1,428,188	100%
9/30/02	1,296,200	1,296,200	100%
9/30/01	1,024,200	1,024,200	100%
9/30/00	1,060,700	1,060,700	100%
9/30/99	1,109,700	1,109,700	100%
9/30/98	1,095,300	1,095,300	100%

Supplementary Information

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

COMBINING STATEMENT OF FIDUCIARY NET ASSETS PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

SEPTEMBER 30, 2007

	Pension Trust Fund	Post-Employment Benefit Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 841	\$ 366,212	\$ 367,053
Investments, fair value			
Immediate participation contracts	1,372,082	-	1,372,082
Mutual funds	25,988,954	4,054,610	30,043,564
U.S. Government agencies	4,017,180	1,739,303	5,756,483
Guaranteed investment contracts	4,377,308	-	4,377,308
Total investments	35,755,524	5,793,913	41,549,437
Total assets	35,756,365	6,160,125	41,916,490
LIABILITIES	-	-	-
Net assets held in trust for benefits	\$35,756,365	\$ 6,160,125	\$ 41,916,490

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Pension Trust Fund</u>	<u>Post-Employment Benefit Trust Fund</u>	<u>Total</u>
ADDITIONS			
Employer contributions	<u>\$ 1,608,568</u>	<u>\$ 771,525</u>	<u>\$ 2,380,093</u>
Investment income:			
Net increase in fair value of investments	2,911,218	338,101	3,249,319
Interest	413,400	234,621	648,021
Investment expense	<u>(72,448)</u>	<u>(2,796)</u>	<u>(75,244)</u>
Net investment income	<u>3,252,170</u>	<u>569,926</u>	<u>3,822,096</u>
Total additions	4,860,738	1,341,451	6,202,189
DEDUCTIONS			
Benefits	<u>1,618,325</u>	<u>-</u>	<u>1,618,325</u>
Net increase for the year	3,242,413	1,341,451	4,583,864
Net assets held in trust for benefits beginning of year	<u>32,513,952</u>	<u>4,818,674</u>	<u>37,332,626</u>
Net assets held in trust for benefits end of year	<u>\$35,756,365</u>	<u>\$ 6,160,125</u>	<u>\$41,916,490</u>

Statistical Section

Statistical Section

This part of the Huron-Clinton Metropolitan Authority's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the Authority's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	61 – 64
Revenue Capacity These schedules contain information to help the reader assess the Authority's most significant local revenue source, the property tax.	65 – 70
Demographic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the Authority operates.	71
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the recreation services the Authority provides and the activities performed.	72 – 82

HURON-CLINTON METROPOLITAN AUTHORITY
NET ASSETS BY COMPONENT
2003 THROUGH 2007
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in capital assets					
of related debt	\$150,423,317	\$158,442,986	\$162,087,500	\$175,741,636	\$184,254,738
Unrestricted	<u>33,824,105</u>	<u>33,503,930</u>	<u>32,851,552</u>	<u>27,468,449</u>	<u>26,946,374</u>
Total governmental activities					
net assets	<u><u>\$184,247,422</u></u>	<u><u>\$191,946,916</u></u>	<u><u>\$194,939,052</u></u>	<u><u>\$203,210,085</u></u>	<u><u>\$211,201,112</u></u>

Additional years have not been provided due to the implementation of GASB Statement No. 34 in 2003

HURON-CLINTON METROPOLITAN AUTHORITY
CHANGES IN NET ASSETS
2003 THROUGH 2007
(accrual basis of accounting)

	2003	2004	2005	2006	2007
Expenses					
Park operating					
Operations	\$ 30,947,826	\$ 31,851,971	\$ 36,525,959	\$ 34,409,197	\$ 35,992,485
Major maintenance	551,473	440,111	760,249	693,405	761,662
Administrative office	4,696,832	4,973,413	5,911,474	5,408,260	5,618,808
General planning/engineering	1,095,749	1,042,024	1,306,680	1,095,958	1,166,449
Total operating	37,291,880	38,307,519	44,504,362	41,606,820	43,539,404
Capital outlay					
Capital improvements	-	227,572	-	14,908	-
Debt service					
Interest	9,642	6,809	3,742	667	-
Total expenses	<u>37,301,522</u>	<u>38,541,900</u>	<u>44,508,104</u>	<u>41,622,395</u>	<u>43,539,404</u>
Revenues					
Program revenues					
Park charges for services	12,869,032	12,868,520	13,247,181	12,814,635	13,807,794
Operating grants	35,322	39,533	25,853	78,989	59,890
Capital grants	504,052	51,154	32,600	-	-
Total program	13,408,406	12,959,207	13,305,634	12,893,624	13,867,684
General revenues					
Property taxes	29,131,788	30,126,243	31,460,809	32,650,984	34,481,626
Oil and gas royalties	1,126,795	857,794	946,594	767,856	646,865
Donations	95,528	102,379	43,756	128,136	306,885
Interest	1,140,703	1,386,833	1,506,083	2,003,680	2,174,904
Miscellaneous	100,833	750,904	237,364	1,449,148	52,467
Proceeds/gain from sale of capital assets	6,884,900	58,034	-	-	-
Total revenues	<u>\$ 51,888,953</u>	<u>\$ 46,241,394</u>	<u>\$ 47,500,240</u>	<u>\$ 49,893,428</u>	<u>\$ 51,530,431</u>
Changes in net assets	<u>\$ 14,587,431</u>	<u>\$ 7,699,494</u>	<u>\$ 2,992,136</u>	<u>\$ 8,271,033</u>	<u>\$ 7,991,027</u>

Additional years have not been provided due to the implementation of GASB Statement No. 34 in 2003.

HURON-CLINTON METROPOLITAN AUTHORITY
FUND BALANCES OF GOVERNMENTAL FUNDS
2003 THROUGH 2007
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund					
Reserved	\$ 7,551,555	\$ 6,159,551	\$ 3,905,434	\$ 7,953,899	\$ 3,384,116
Unreserved	<u>12,792,290</u>	<u>20,331,494</u>	<u>21,569,922</u>	<u>17,088,644</u>	<u>21,249,235</u>
Total general fund	<u>\$ 20,343,845</u>	<u>\$ 26,491,045</u>	<u>\$ 25,475,356</u>	<u>\$ 25,042,543</u>	<u>\$ 24,633,351</u>
Capital projects fund					
Reserved	\$ -	\$ 88,198	\$ -	\$ 884,522	\$ 344,255
Unreserved	<u>5,498,496</u>	<u>6,089,802</u>	<u>6,445,420</u>	<u>5,068,823</u>	<u>5,774,966</u>
Total capital projects fund	<u>\$ 5,498,496</u>	<u>\$ 6,178,000</u>	<u>\$ 6,445,420</u>	<u>\$ 5,953,345</u>	<u>\$ 6,119,221</u>

Additional years have not been provided due to the implementation of GASB Statement No. 34 in 2003.

HURON-CLINTON METROPOLITAN AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
2003 THROUGH 2007
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007
Revenues					
Property taxes	\$ 29,014,371	\$30,081,579	\$31,398,443	\$32,597,201	\$34,547,937
Oil and gas royalties	1,126,795	857,794	946,594	767,856	646,865
Donations	95,528	102,379	43,756	128,136	306,885
Interest	1,140,703	1,386,833	1,506,083	2,003,680	2,174,904
Miscellaneous	35,833	750,904	202,364	1,517,962	52,467
Park charges for services	12,869,032	12,868,520	13,247,181	12,814,635	13,807,794
Operating grants	35,322	39,533	25,853	78,989	59,890
Capital grants	504,052	51,154	32,600	-	-
Proceeds from sale of capital assets	312,540	7,504,896	479,627	533,977	259,564
Total revenues	45,134,176	53,643,592	47,882,501	50,442,436	51,856,306
Expenditures					
Operations	26,790,021	27,545,339	28,506,499	29,616,888	30,885,676
Major maintenance	551,473	440,111	760,249	693,405	761,662
Administrative office	4,610,912	4,874,199	5,166,242	5,337,720	5,470,820
General planning and engineering	1,095,749	1,042,024	1,022,421	1,068,791	1,164,439
Engineering and planning	760,409	930,994	1,154,185	920,868	889,436
Capital improvements	9,236,618	8,742,035	7,258,425	10,993,199	9,908,634
Equipment	1,823,479	2,222,627	2,164,707	2,497,008	3,006,105
Land acquisition	1,841,433	975,639	2,554,122	213,825	12,850
Debt service	43,920	43,920	43,920	25,620	-
Total expenditures	46,754,014	46,816,888	48,630,770	51,367,324	52,099,622
Net changes in fund balance	\$ (1,619,838)	\$ 6,826,704	\$ (748,269)	\$ (924,888)	\$ (243,316)
Debt service as a percentage of noncapital expenditures	.133%	.129%	.124%	.07%	0%

HURON-CLINTON METROPOLITAN AUTHORITY
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
1998 THROUGH 2007
(modified accrual basis of accounting)

<u>Year</u>	<u>Property Tax</u>
1998	\$ 21,891,950
1999	23,223,987
2000	24,711,866
2001	25,771,828
2002	27,462,221
2003	29,014,371
2004	30,081,579
2005	31,398,443
2006	32,597,201
2007	34,547,937

HURON-CLINTON METROPOLITAN AUTHORITY
TAXABLE AND ASSESSED VALUES OF PROPERTY
1998 through 2007
(Unaudited)

Year	Real Property (a)		Personal Property (a)		Total Real & Personal Property (a)		Estimated Market Value (d)	Percent Change in Market Value
	Taxable Value (b)	State Equalized Value (c)	Taxable Value (b)	State Equalized Value (c)	Taxable Value (b)	State Equalized Value (c)		
1998	\$85,012,600,255	\$90,398,876,687	\$15,233,069,112	\$17,885,332,215	\$ 100,245,669,367	\$ 108,284,208,902	\$ 216,568,417,804	
1999	90,428,401,361	99,615,071,334	16,131,310,931	16,132,357,903	106,559,712,292	115,747,429,237	231,494,858,474	6.9%
2000	96,043,406,699	110,890,450,436	17,143,699,127	17,144,851,898	113,187,105,826	128,035,302,334	256,070,604,668	10.6%
2001	102,733,871,639	123,356,462,942	17,239,884,065	17,250,456,007	119,973,755,704	140,606,918,949	281,213,837,898	9.8%
2002	110,952,502,028	137,336,675,397	17,642,940,700	17,651,873,912	128,595,442,728	154,988,549,309	309,977,098,618	10.2%
2003	119,139,081,597	152,697,255,169	17,611,381,854	17,620,429,268	136,750,463,451	170,317,684,437	340,635,368,874	9.9%
2004	126,175,847,034	165,094,594,200	17,002,280,522	17,052,094,000	143,178,127,556	182,146,688,200	364,293,376,400	6.9%
2005	134,302,160,747	175,187,056,008	17,056,837,498	17,161,548,265	151,358,998,245	192,348,604,273	384,697,208,546	5.6%
2006	142,839,814,996	184,862,351,990	14,385,774,754	14,441,075,293	157,225,589,750	199,303,427,283	398,606,854,566	3.6%
2007	151,907,265,806	193,100,496,537	14,150,671,245	14,156,614,158	166,057,937,051	207,257,110,695	414,514,221,390	4.0%

(a) Property value information represents the combined totals of Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These counties are the member counties of the Metropark district.

(b) The State of Michigan passed a Property Tax Reform measure in 1994 which changed the basis of property taxes. Authority tax millage rates were applied to "Taxable Values" rather than "State Equalized Values" effective with the Authority's tax year 1996. Includes Single Business Tax inventory value of \$2,497,402,508 for years 1998 through 2005; this amount was eliminated by State legislation for 2006 and after. For 2007, the Authority's millage rate was .2146 mills applied to the total "Taxable Values."

(c) Includes Single Business Tax inventory value of \$2,497,402,508 for years 1998 through 2005; this amount was eliminated by State legislation for 2006 and after.

(d) Total estimated market value is based on two times State Equalized Value figures.

HURON-CLINTON METROPOLITAN AUTHORITY
TAXABLE VALUATIONS BY COUNTY (a)

(Unaudited)

<u>Year</u>	<u>Livingston County</u>	<u>% of Total</u>	<u>Macomb County</u>	<u>% of Total</u>	<u>Oakland County</u>	<u>% of Total</u>	<u>Washtenaw County</u>	<u>% of Total</u>	<u>Wayne County</u>	<u>% of Total</u>	<u>Total Taxable Value (b)</u>	<u>Total %</u>
1998	\$ 3,890,206,636	3.9%	\$ 17,612,037,126	17.6%	\$ 36,945,736,352	36.9%	\$8,012,231,570	8.0%	\$33,785,457,133	33.7%	\$ 100,245,668,817	100.0%
1999	4,247,108,052	4.0%	18,933,648,514	17.8%	39,537,692,845	37.1%	8,586,934,920	8.1%	35,252,993,619	33.1%	106,558,377,950	100.0%
2000	4,638,498,246	4.1%	20,203,834,066	17.8%	42,233,212,883	37.3%	9,202,183,805	8.1%	36,909,376,826	32.6%	113,187,105,826	100.0%
2001	5,070,286,192	4.2%	21,458,367,809	17.9%	44,847,952,256	37.4%	9,784,416,274	8.2%	38,812,733,173	32.4%	119,973,755,704	100.0%
2002	5,623,065,571	4.4%	23,061,440,253	17.9%	48,133,921,225	37.4%	10,574,832,135	8.2%	41,202,183,544	32.0%	128,595,442,728	100.0%
2003	6,121,696,309	4.5%	24,565,093,998	18.0%	51,171,954,926	37.4%	11,470,389,517	8.4%	43,421,328,701	31.8%	136,750,463,451	100.0%
2004	6,620,481,408	4.6%	25,932,336,788	18.1%	53,657,077,357	37.5%	12,112,746,088	8.5%	44,855,485,915	31.3%	143,178,127,556	100.0%
2005	7,175,532,243	4.7%	27,339,641,757	18.1%	56,463,682,219	37.3%	12,946,069,847	8.6%	47,434,072,179	31.3%	151,358,998,245	100.0%
2006	7,757,534,921	4.9%	28,602,726,523	18.2%	58,862,866,940	37.4%	13,693,361,327	8.7%	48,309,100,039	30.7%	157,225,589,750	100.0%
2007	8,348,502,046	5.0%	30,373,918,359	18.3%	62,133,415,235	37.4%	14,629,742,407	8.8%	50,572,359,004	30.5%	166,057,937,051	100.0%

(a) Property tax levies are not collected directly by Huron-Clinton Metropolitan Authority. Authority property tax levies are collected by local communities within the five county park district and are forwarded to each County Treasurer who distributes the Authority's tax levy to the park district. Accordingly, individual taxpayer records are not maintained by Huron-Clinton Metropolitan Authority.

(b) Includes Single Business Tax inventory value of \$2,497,402,508 for years 1998 through 2005; this amount was eliminated by State legislation for 2006 and after.

HURON-CLINTON METROPOLITAN AUTHORITY
PROPERTY TAX RATES
(per \$1,000 of value)
1998 through 2007

<u>Year</u>	<u>Authority Millage Rate (a)</u>
1998	0.2236
1999	0.2235
2000	0.2218
2001	0.2202
2002	0.2186
2003	0.2170
2004	0.2161
2005	0.2154
2006	0.2146
2007	0.2146

(a) Huron-Clinton Metropolitan Authority operates in five different counties encompassing many different townships, cities, and school districts. Huron-Clinton Metropolitan Authority does not collect any taxes on behalf of any other governmental entity.

HURON-CLINTON METROPOLITAN AUTHORITY
PROPERTY TAX LEVIES AND COLLECTIONS
1998 through 2007
(Unaudited)

<u>Year</u>	<u>Initial Tax Levy (a)</u>	<u>Current Year Tax Collections (b)</u>	<u>Percent of Current Year Taxes Collected</u>	<u>Prior Years Tax Receivable Balances</u>	<u>Prior Years Tax Receivable Collections (b)</u>	<u>Percent of Prior Years Taxes Collected</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections (c)</u>	<u>Outstanding Tax Receivable Balances At Year End</u>
1998	\$ 22,414,932	\$ 22,157,845	98.9%	\$ 232,282	\$ (21,936)	-9.4%	\$ 22,135,909	97.7%	\$ 254,738
1999	23,816,047	23,274,444	97.7%	254,738	(321,460)	-126.2%	22,952,984	95.4%	469,286
2000	25,109,395	24,702,357	98.4%	469,286	183,996	39.2%	24,886,353	97.3%	293,831
2001	26,426,712	25,817,188	97.7%	293,831	(46,791)	-15.9%	25,770,397	96.4%	459,577
2002	28,123,451	27,391,832	97.4%	459,577	62,188	13.5%	27,454,020	96.1%	675,715
2003	29,691,333	28,906,808	97.4%	675,715	107,369	15.9%	29,014,177	95.5%	793,132
2004	30,959,524	30,092,971	97.2%	793,132	(4,541)	-0.6%	30,088,430	94.8%	881,795
2005	32,594,188	31,344,360	96.2%	881,795	61,193	6.9%	31,405,553	93.8%	1,001,161
2006	33,740,612	32,550,725	96.5%	1,001,161	34,311	3.4%	32,585,036	93.8%	1,121,945
2007	35,636,033	34,444,016	96.7%	1,121,945	15,467	1.4%	34,459,483	93.7%	1,126,713

(a) Initial tax levy amounts exclude Industrial, Commercial, Downtown Development Authority, Tax Incremental Financing Authority tax abatement properties, Board of Review, and State Tax Tribunal adjustments.

(b) Tax collection amounts are net of refunds ordered by Boards of Review and the State Tax Tribunal.

(c) Compares total tax collections to initial tax levy and prior years tax receivable balances at year end.

HURON-CLINTON METROPOLITAN AUTHORITY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND SIX YEARS AGO

Taxpayer	2007			2001 *		
	Taxable Value (a)	Rank	Percent of Total Authority Taxable Value	Taxable Value (a)	Rank	Percent of Total Authority Taxable Value
Ford Motor Company	\$ 2,276,167,815	1	1.37%	\$ 3,023,395,410	1	2.52%
Detroit Edison Corporation	1,887,794,845	2	1.14%	1,736,894,317	4	1.45%
General Motors Corporation	1,750,954,842	3	1.05%	1,768,964,668	3	1.47%
Daimler/Chrysler	1,367,349,156	4	0.82%	2,067,686,676	2	1.72%
Consumers Power/Energy	288,860,062	5	0.17%	298,009,622	7	0.25%
Pfizer Global	268,044,317	6	0.16%	-	-	-
Twelve Oaks/Taubman, et al.	214,959,608	7	0.13%	190,907,026	10	0.16%
Marathon Oil	173,900,387	8	0.10%	-	-	-
Auto Alliance International	142,493,647	9	0.09%	-	-	-
Towne Center Delaware, Inc.	129,211,983	10	0.08%	-	-	-
Visteon	-	-	-	513,551,858	5	0.43%
Michigan Consolidated Gas	-	-	-	404,770,871	6	0.34%
National Steel	-	-	-	292,693,218	8	0.24%
Rouge Steel	-	-	-	217,000,300	9	0.18%
Total ten largest taxpayers	\$ 8,499,736,662		5.11%	\$ 10,513,873,966		8.76%

* The oldest history available to H.C.M.A. for the top ten taxpayers is 2001. Nine year old history (1998) is not available.

(a) Taxable values include Industrial Facility Act 198 properties and Commercial Facility Act 255 properties. Taxable values have been combined if the taxpayer has locations in more than one county.

HURON-CLINTON METROPOLITAN AUTHORITY

DEMOGRAPHIC STATISTICS

Total Population by County (a)						
Year	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
1940	26,725	107,638	254,068	80,810	2,015,623	2,484,864
1950	38,233	184,961	396,001	134,606	2,435,235	3,189,036
1960	38,233	405,804	690,259	172,440	2,666,297	3,973,033
1970	58,967	626,204	907,871	234,103	2,670,368	4,497,513
1980	100,289	694,600	1,011,793	264,748	2,337,891	4,409,321
1990	115,645	717,400	1,083,592	282,937	2,111,687	4,311,261
2000	156,951	788,149	1,194,156	322,895	2,061,162	4,523,313
2007	183,194	831,077	1,206,089	350,003	1,985,101	4,555,464

Number of Households by County (b)					
Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
55,384	309,203	471,115	125,327	768,440	1,729,469

Household Income by County (b)						
Income	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
Less than \$10,000	1,564	16,841	21,981	9,960	92,221	142,567
\$10,000 to \$14,999	1,514	14,229	16,449	5,715	48,855	86,762
\$15,000 to \$24,999	3,394	31,627	39,238	12,388	99,816	186,463
\$25,000 to \$34,999	4,483	35,120	43,722	13,577	93,954	190,856
\$35,000 to \$49,999	7,263	48,613	64,281	18,493	119,059	257,709
\$50,000 to \$74,999	12,925	70,908	97,196	24,139	144,208	349,376
\$75,000 to \$99,999	10,083	44,675	69,248	16,365	81,981	222,352
\$100,000 to \$149,999	9,838	35,966	69,671	15,960	62,511	193,946
\$150,000 to \$199,999	2,361	6,981	23,826	4,467	13,796	51,431
\$200,000 or more	1,906	4,542	25,778	4,401	12,225	48,852

Median Household Income (c)				
Livingston	Macomb	Oakland	Washtenaw	Wayne
\$71,683	\$52,784	\$64,293	\$55,431	\$38,743

Ethnicity by County (d)						
Ethnicity	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
White	172,591	744,381	991,855	262,664	1,083,712	3,255,203
Black	1,054	40,002	139,347	41,804	849,560	1,071,767
American Indian	773	2,740	3,317	1,275	7,787	15,892
Asian	1,372	23,549	61,882	25,906	43,586	156,295
Other	114	238	355	162	811	1,680
Two or more races	1,634	11,750	16,583	7,380	30,746	68,093

Age by County (d)						
Age	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
under 5	10,139	50,316	76,857	20,869	145,992	304,173
5 through 9	12,553	53,473	81,521	20,570	149,162	317,279
10 through 14	14,104	56,889	87,774	20,605	172,280	351,652
15 through 19	13,471	51,456	79,594	27,964	141,776	314,261
20 through 24	12,343	51,111	66,797	28,620	127,168	286,039
25 through 34	20,738	112,408	149,324	63,289	263,775	609,534
35 through 44	30,064	131,816	201,077	51,696	301,327	715,980
45 through 54	29,234	120,813	197,309	46,811	289,728	683,895
55 through 59	10,914	47,053	77,290	18,068	110,113	263,438
60 through 64	7,999	37,137	55,901	12,026	80,032	193,095
65 through 74	8,711	52,392	68,008	14,737	110,102	253,950
75 through 84	5,408	42,044	52,031	10,182	90,839	200,504
85 and over	1,860	15,752	19,856	3,754	33,908	75,130

(a) Data from the 2007 U. S. Census Population Estimate.

(b) Data from the 2000 U.S. Census

(c) Data from the 2004 U.S. Census

(d) Data as of July 1, 2004 from the State of Michigan in collaboration with the Population Estimate Branch of the U.S. Census.

HURON-CLINTON METROPOLITAN AUTHORITY
FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES BY LOCATION
2006 THROUGH 2007

Location	<u>2006</u>	<u>2007</u>
Administrative Office	34	35
Engineering/Planning	15	17
Metro Beach Metropark	67	65
Kensington Metropark	98	101
Lower Huron Metropark	37	39
Hudson Mills Metropark	37	34
Stony Creek Metropark	50	60
Willow/Oakwoods Metroparks	50	48
Lake Erie Metropark	58	56
Wolcott Mill Metropark	25	24
Indian Springs Metropark	30	27
Huron Meadows Metropark	<u>19</u>	<u>18</u>
Total	<u>520</u>	<u>523</u>

HURON-CLINTON METROPOLITAN AUTHORITY
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
2006 THROUGH 2007

	<u>2006</u>	<u>2007</u>
Number of Regional Parks	13	13
Acres		
Developed	5,800	5,800
Undeveloped	18,044	18,044
Under Recreational Lease to Other Agencies	600	600
Total	<u>24,444</u>	<u>24,444</u>
Attendance	8,742,396	9,065,729
Basketball Courts	18	18
Boat Launch Ramps	44	44
Boat/ Canoe Rental Facilities	5	5
Buildings		
Number of Buildings Maintained	315	318
Square Footage of Buildings Maintained	656,170	663,088
Cross Country Ski Trails - Number of Miles	59	59
Disc Golf		
Courses	5	5
Holes	120	120
Equestrian Trails - Number of Miles	29	29
Excursion Boat	1	1
General Grounds Maintenance - Acres Mowed Annually	3,032	2,982
Golf Courses		
Regulation 18 Hole Courses	8	8
Number of Golf Rounds	241,832	231,599
Par 3 Courses	2	2
Number of Golf Rounds	31,273	31,546
Driving Ranges	5	5
Ice Skating Rinks - Outdoor	9	9

HURON-CLINTON METROPOLITAN AUTHORITY
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
2006 THROUGH 2007

	2006	2007
Interpretive Centers		
Environmental Discovery Center	1	1
Farm Centers	2	2
Grist Mill	1	1
Nature Centers	6	6
Mobile Metropark	1	1
Number of Visitors	1,543,225	1,636,410
Number of Interpretive Programs	9,822	9,696
Hike/ Bike Trails (paved) - Number of Miles of Paved Trails	54	54
Marinas - Number of Boat Slips	554	554
Miles of Shoreline	100	100
Nature Trails - Number of Miles	53	53
Outdoor Dance Centers	2	2
Number of Patrol Vehicles	34	32
Number of Law Violations		
Arrests	43	40
Traffic Violations	644	493
Other Violations	310	168
Parking Lots - Square Yards Maintained	814,428	814,428
Picnicking		
Number of Picnic Areas	85	85
Number of Picnic Shelters	82	83
Play Areas/ Tot Lots	45	45
Road System - Number of Lane Miles Maintained	166	166
Skate Parks	1	1
Sledding/ Toboggan Hills	18	18
Swimming		
Beaches	5	5
Pools	4	4
Spray Pads	2	3
Tennis Courts	9	9

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE (a)
1998 through 2007
(Unaudited)

Year	Engineering & Planning	Capital Improvements	Equipment	Land Acquisition	Major Maintenance	General Administration	General Planning & Engineering	Park Operations	Capital Projects Fund	Debt Service	Total
1998	\$479,247	\$3,219,789	\$2,048,714	\$779,451	\$1,259,896	\$3,009,699	\$678,568	\$22,584,896	\$1,563,279	\$ -	\$35,623,539
1999	413,018	2,585,075	2,263,740	349,993	1,046,587	3,391,294	717,472	23,015,522	263,028	-	34,045,729
2000	442,346	3,554,743	2,476,517	385,853	1,627,146	3,412,143	744,879	24,105,949	310,672	-	37,060,248
2001	851,255	6,556,137	2,388,964	474,162	710,288	3,732,417	918,464	25,011,858	122,514	18,300	40,784,359
2002	1,292,158	5,859,604	2,103,987	1,084,834	158,918	4,000,801	1,005,208	26,364,199	170,733	43,920	42,084,362
2003	757,854	8,954,353	1,823,479	1,841,433	542,773	4,610,912	1,095,749	26,790,021	293,520	43,920	46,754,014
2004	853,857	8,530,468	2,222,627	975,639	440,111	4,874,199	1,042,024	27,545,339	288,704	43,920	46,816,888
2005	1,015,643	6,525,798	2,164,707	2,554,122	760,249	5,166,242	1,022,421	28,506,499	871,169	43,920	48,630,770
2006	723,530	9,663,892	2,497,008	213,825	693,405	5,337,720	1,068,791	29,616,888	1,526,645	25,620	51,367,324
2007	769,138	9,264,959	3,006,105	12,850	761,662	5,470,820	1,164,439	30,885,676	763,973	-	52,099,622

(a) Includes General and Capital Projects Funds.

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE (a)
1998 through 2007
(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Engineering and planning											
Metro Beach Metropark	\$ 64,956	\$ 74,080	\$ 82,800	\$ 117,643	\$ 100,111	\$ 21,695	\$ 37,887	\$ 90,856	\$ 29,396	\$ 169,151	\$ 788,575
Kensington Metropark	65,722	90,384	104,410	109,095	61,770	70,753	306,915	145,424	122,709	244,555	1,321,737
Lower Huron Metropark	13,635	7,190	8,116	15,427	84,205	59,998	76,990	444,519	356,315	140,359	1,206,754
Dexter/Delhi/Hudson Mills Metroparks	17,110	17,449	53,663	42,069	62,081	38,589	35,760	58,317	10,620	24,912	360,571
Stony Creek Metropark	52,998	17,219	11,259	25,753	20,795	43,914	53,965	104,522	88,882	82,984	502,291
Willow/Oakwoods Metroparks	24,322	14,469	9,090	27,541	56,027	51,935	18,789	9,120	18,741	18,783	248,817
Lake Erie Metropark	86,311	96,475	56,342	82,364	87,912	75,474	52,883	36,914	23,094	18,949	616,718
Wolcott Mill Metropark	45,108	33,772	37,822	31,731	26,423	55,579	72,134	21,944	18,118	12,990	355,621
Indian Springs Metropark	97,651	24,678	49,034	372,621	788,055	338,525	195,367	98,067	39,969	44,893	2,048,860
Huron Meadows Metropark	11,434	37,302	29,811	27,011	4,779	1,392	3,167	5,960	15,686	11,562	148,104
Total	479,247	413,018	442,346	851,255	1,292,158	757,854	853,857	1,015,643	723,530	769,138	7,598,046
Capital improvements											
Administrative Office	-	-	-	-	52,200	-	18,997	-	-	-	71,197
Metro Beach Metropark	704,403	499,235	979,340	2,207,116	768,261	810,665	126,665	202,995	65,937	579,934	6,944,551
Kensington Metropark	74,120	588,695	845,201	658,013	1,192,857	253,106	149,361	1,986,107	2,360,510	718,955	8,826,925
Dexter-Delhi Metropark	-	81,785	-	81,485	-	226,024	-	-	-	9,360	398,654
Lower Huron Metropark	31,807	15,919	42,018	413,101	169,844	608,307	443,517	176,055	2,374,332	6,786,970	11,061,870
Hudson Mills Metropark	49,995	124,412	93,235	585,142	422,943	258,237	81,661	40,756	49,281	89,457	1,795,119
Stony Creek Metropark	87,371	90,423	170,894	294,103	449,660	401,809	207,697	835,754	3,567,273	612,747	6,717,731
Willow/Oakwoods Metroparks	351,836	74,206	73,327	429,542	281,140	835,059	628,575	132,920	238,977	14,716	3,060,298
Lake Erie Metropark	477,022	866,754	820,797	690,602	563,620	790,485	1,373,495	1,053,897	309,228	14,763	6,960,663
Wolcott Mill Metropark	1,269,948	68,070	237,120	206,335	526,726	186,269	409,822	382,150	343,871	42,869	3,673,180
Indian Springs Metropark	138,611	55,882	23,208	234,026	1,193,345	4,541,755	5,048,973	1,688,696	307,415	288,883	13,520,794
Huron Meadows Metropark	34,676	119,694	269,603	706,672	189,008	42,637	41,705	26,468	32,159	97,693	1,560,315
Cost Share Other Agencies	-	-	-	50,000	50,000	-	-	-	14,909	8,612	123,521
Total	3,219,789	2,585,075	3,554,743	6,556,137	5,859,604	8,954,353	8,530,468	6,525,798	9,663,892	9,264,959	64,714,818

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE (a)
1998 through 2007
(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Equipment											
Administrative Office	88,668	69,778	161,773	86,821	108,946	42,060	166,333	139,760	96,951	77,084	1,038,174
Central Pool Equipment	82,373	179,839	73,812	77,888	150,918	72,746	42,402	28,726	9,364	123,749	841,817
Metro Beach Metropark	188,494	58,248	259,638	232,385	289,259	211,863	253,728	127,354	157,643	179,688	1,958,300
Kensington Metropark	177,344	254,537	498,225	492,797	341,587	373,116	387,659	460,615	337,725	439,613	3,763,218
Lower Huron Metropark	108,256	244,454	89,093	181,332	149,880	93,438	139,166	59,829	164,618	37,796	1,267,862
Hudson Mills Metropark	145,820	179,855	209,149	280,478	199,324	229,657	131,460	65,252	326,217	224,144	1,991,356
Stony Creek Metropark	141,985	244,365	348,139	142,239	194,702	93,402	110,187	175,402	219,227	1,014,991	2,684,639
Willow/Oakwoods Metroparks	224,004	154,200	226,177	335,771	249,450	181,343	157,162	213,683	499,262	275,013	2,516,065
Lake Erie Metropark	277,182	290,952	236,304	310,626	169,408	129,613	366,267	196,337	234,135	377,222	2,588,046
Wolcott Mill Metropark	291,505	366,428	44,358	125,782	122,295	61,677	70,006	256,663	125,892	67,964	1,532,570
Indian Springs Metropark	268,985	116,663	85,627	100,265	102,836	214,273	246,294	129,416	185,499	151,405	1,601,263
Huron Meadows Metropark	54,098	104,421	244,222	22,580	25,382	120,291	151,963	311,670	140,475	37,436	1,212,538
Total	2,048,714	2,263,740	2,476,517	2,388,964	2,103,987	1,823,479	2,222,627	2,164,707	2,497,008	3,006,105	22,995,848
Land acquisition											
Kensington Metropark	1,513	4,000	364,111	(6,260)	2,000	4,000	3,200	-	-	-	372,564
Hudson Mills Metropark	-	2,575	-	-	-	-	-	-	-	-	2,575
Lake Erie Metropark	12,238	12,238	12,238	12,238	12,238	-	-	-	-	-	61,190
Wolcott Mill Metropark	757,583	330,298	4,979	43,603	678,140	1,823,989	968,439	2,553,622	-	11,850	7,172,503
Indian Springs Metropark	774	-	2,400	-	125,019	-	4,000	500	213,825	1,000	347,518
Huron Meadows	-	-	-	414,427	239,483	154	-	-	-	-	654,064
Other Metroparks	7,343	882	2,125	10,154	27,954	13,290	-	-	-	-	61,748
Total	779,451	349,993	385,853	474,162	1,084,834	1,841,433	975,639	2,554,122	213,825	12,850	8,672,162
Major maintenance											
Administrative Office - Engineering/											
General Planning	92,077	110,587	111,312	86,896	8,578	41,930	14,471	31,961	52,128	38,154	588,094
Metro Beach Metropark	306,922	74,459	310,683	253,609	-	104,111	66,940	39,450	213,324	63,025	1,432,523
Kensington Metropark	394,283	260,012	242,043	44,757	20,000	20,314	65,732	177,996	106,745	219,079	1,550,961
Lower Huron Metropark	38,052	124,327	136,218	53,602	25,434	30,588	-	54,396	-	-	462,617
Hudson Mills Metropark	62,034	20,806	12,862	15,615	13,946	-	-	23,739	12,486	30,038	191,526
Stony Creek Metropark	167,389	106,211	95,847	40,288	42,128	87,756	183,943	129,910	113,320	175,530	1,142,322
Willow Metropark	75,024	42,258	267,806	58,570	-	40,130	69,180	96,297	68,959	85,355	803,579

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE (a)
1998 through 2007
(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Oakwoods Metropark	-	58,965	59,452	-	-	14,096	-	22,378	-	-	154,891
Lake Erie Metropark	32,546	184,570	202,095	100,135	24,168	132,829	-	169,882	41,393	81,453	969,071
Wolcott Mill Metropark	31,045	41,580	128,328	12,433	-	71,019	39,845	14,240	36,825	32,032	407,347
Indian Springs Metropark	-	-	30,186	44,383	24,665	-	-	-	11,080	-	110,314
Huron Meadows Metropark	60,524	22,812	30,314	-	-	-	-	-	37,145	36,996	187,791
Total	1,259,896	1,046,587	1,627,146	710,288	158,918	542,773	440,111	760,249	693,405	761,662	8,001,035
General administration											
Administrative Office	3,009,699	3,391,294	3,412,143	3,732,417	4,000,801	4,610,912	4,874,199	5,166,242	5,337,720	5,470,820	43,006,247
General Planning/Engineering	678,568	717,472	744,879	918,464	1,005,208	1,095,749	1,042,024	1,022,421	1,068,791	1,164,439	9,458,015
Park operations											
Metro Beach Metropark	2,984,974	3,009,423	3,070,495	3,447,245	3,499,164	3,576,481	3,660,261	3,705,877	3,855,113	3,912,779	34,721,812
Kensington Metropark	4,616,790	5,002,595	5,314,204	5,116,128	5,360,464	5,305,731	5,538,977	5,616,835	5,826,464	6,131,556	53,829,744
Lower Huron Metropark	1,631,532	1,613,995	1,737,626	1,794,903	1,894,862	1,965,033	2,007,223	2,156,031	2,331,405	2,398,765	19,531,375
Dexter/Delhi/Hudson Mills Metroparks	1,765,476	1,859,190	1,996,729	2,147,988	2,284,270	2,320,032	2,315,986	2,469,310	2,618,337	2,536,332	22,313,650
Stony Creek Metropark	2,469,403	2,600,665	2,728,101	2,940,725	3,052,824	2,959,248	3,107,493	3,106,486	3,276,287	4,116,165	30,357,397
Willow/Oakwoods Metroparks	2,581,779	2,678,337	2,631,108	2,716,708	2,840,245	2,908,505	2,944,874	3,008,507	2,947,233	2,944,961	28,202,257
Lake Erie Metropark	2,712,279	2,806,214	2,933,422	3,051,030	3,308,262	3,315,965	3,308,038	3,442,800	3,571,218	3,509,711	31,958,939
Wolcott Mill Metropark	1,368,183	1,241,961	1,429,895	1,489,034	1,567,083	1,512,385	1,557,867	1,674,284	1,738,010	1,754,438	15,333,140
Indian Springs Metropark	1,175,724	1,240,727	1,246,648	1,311,420	1,394,297	1,437,469	1,738,209	1,889,840	1,974,781	1,962,749	15,371,864
Huron Meadows Metropark	804,669	734,993	794,096	869,800	969,319	1,018,664	1,039,036	1,027,218	1,048,674	1,072,271	9,378,740
Central Warehouse/Garage/Other	474,087	227,422	223,625	126,877	193,409	470,508	327,375	409,311	429,366	545,949	3,427,929
Total	22,584,896	23,015,522	24,105,949	25,011,858	26,364,199	26,790,021	27,545,339	28,506,499	29,616,888	30,885,676	264,426,847
Debt service											
Principal				12,468	31,662	34,278	37,111	40,178	24,953	-	180,650
Interest				5,832	12,258	9,642	6,809	3,742	667	-	38,950
				18,300	43,920	43,920	43,920	43,920	25,620	-	219,600

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE (a)
1998 through 2007
(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Capital projects fund											
Administrative Office-Engineering/											
General Planning	50,620	6,941	20,065	-	-	-	-	-	-	-	77,626
Metro Beach Metropark	1,334,804	207,298	-	-	21,616	77,841	-	-	-	-	1,641,559
Kensington Metropark	-	-	239,224	112,014	7,434	8,700	-	(7,000)	-	-	360,372
Lower Huron Metropark	-	-	-	10,500	141,683	206,979	37,462	130,277	1,474,985	672,466	2,674,352
Stony Creek Metropark	177,854	48,789	51,383	-	-	-	-	-	-	-	278,026
Oakwoods Metropark	-	-	-	-	-	-	-	-	51,660	91,507	143,167
Lake Erie Metropark	-	-	-	-	-	-	39,675	747,892	-	-	787,567
Cost Share Other Agencies	-	-	-	-	-	-	211,567	-	-	-	211,567
Total	1,563,278	263,028	310,672	122,514	170,733	293,520	288,704	871,169	1,526,645	763,973	6,174,236
Total expenditures	\$35,623,538	\$34,045,729	\$37,060,248	\$40,784,359	\$42,084,362	\$46,754,014	\$46,816,888	\$48,630,770	\$51,367,324	\$52,099,622	\$435,266,854

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK GENERAL GOVERNMENTAL REVENUES BY SOURCE (a)
1998 through 2007

Year	Property Tax	Park Operations	Interest	Grants	Gifts	Miscellaneous	Other Financing Sources	Capital Projects Fund	Total
1998	\$ 21,891,950	\$ 12,399,641	\$ 1,401,785	\$ 81,859	\$ 295,755	\$ 381,739	\$ -	\$ 642,255	\$ 37,094,984
1999	23,223,987	12,339,493	1,494,672	444,555	41,357	370,984	-	430,656	38,345,704
2000	24,711,866	12,089,229	2,189,139	53,035	75,269	3,209	410,955	666,104	40,198,806
2001	25,771,828	12,093,805	1,644,301	263,479	67,177	37,236	771,793	805,347	41,454,966
2002	27,462,221	11,785,643	732,523	377,185	97,011	66,494	280,663	829,971	41,631,711
2003	29,014,371	12,869,032	1,076,798	539,374	95,528	35,833	312,540	1,190,700	45,134,176
2004	30,081,579	12,868,520	1,276,419	90,687	102,379	750,904	7,504,896	968,208	53,643,592
2005	31,398,443	13,247,181	1,328,532	58,453	43,756	187,920	479,627	1,138,589	47,882,501
2006	32,597,201	12,814,635	1,736,966	78,989	128,136	1,517,962	533,977	1,034,570	50,442,436
2007	34,547,937	13,807,794	1,891,920	59,890	306,885	52,467	259,564	929,849	51,856,306

(a) Includes General Fund and Capital Projects Fund.

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK OPERATING REVENUES BY PARK
1998 through 2007
(Unaudited)

Park	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Metro Beach Metropark	\$ 1,704,014	\$ 1,689,384	\$ 1,444,299	\$ 1,729,497	\$ 1,616,428	\$ 1,718,995	\$ 1,706,641	\$ 1,776,918	\$ 1,678,727	\$ 1,683,188	\$ 16,748,091
Kensington Metropark	2,390,943	2,401,157	2,526,002	2,362,959	2,293,457	2,521,970	2,541,331	2,512,743	2,466,744	2,719,304	24,736,610
Lower Huron Metropark	410,210	417,279	393,141	435,070	423,839	464,404	473,366	479,665	477,587	455,934	4,430,495
Dexter/ Delhi/ Hudson Mills Metroparks	1,160,829	1,134,200	1,126,461	1,037,312	1,042,725	1,134,599	1,127,649	1,111,870	1,013,139	966,415	10,855,199
Stony Creek Metropark	1,068,708	1,103,042	1,126,991	1,244,153	1,240,385	1,471,936	1,494,395	1,531,285	1,524,353	2,381,566	14,186,814
Willow/ Oakwoods Metroparks	1,101,032	1,162,796	1,118,426	1,086,140	1,095,755	1,212,974	1,173,863	1,285,544	1,280,234	1,289,490	11,806,254
Lake Erie Metropark	1,781,852	1,828,731	1,679,765	1,740,176	1,786,017	1,771,019	1,701,452	1,864,892	1,777,956	1,703,153	17,635,013
Wolcott Mill Metropark	737,798	967,253	688,543	583,617	470,568	504,944	505,481	590,325	584,720	607,896	6,241,145
Indian Springs Metropark	955,946	922,968	956,069	981,642	910,526	956,387	975,859	955,438	953,005	961,002	9,528,842
Huron Meadows Metropark	1,051,678	677,404	966,545	844,144	813,112	985,539	1,026,133	951,820	912,367	867,706	9,096,448
Resident House/Land Leases Other	33,317	32,295	60,386	40,102	89,597	79,297	127,010	129,258	135,285	159,827	886,374
Administrative Office	3,314	2,984	2,601	8,993	3,234	46,968	15,340	57,423	10,518	12,313	163,688
Total	\$ 12,399,641	\$ 12,339,493	\$ 12,089,229	\$ 12,093,805	\$ 11,785,643	\$ 12,869,032	\$ 12,868,520	\$ 13,247,181	\$ 12,814,635	\$ 13,807,794	\$ 126,314,973

HURON-CLINTON METROPOLITAN AUTHORITY
METROPARK OPERATING REVENUES BY TYPE
1998 through 2007
(Unaudited)

Type of Revenue	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
Food Service	\$ 787,914	\$ 813,288	\$ 831,022	\$ 593,759	\$ 696,657	\$ 797,981	\$ 814,600	\$ 857,018	\$ 825,334	\$ 825,921	\$ 7,843,493
Bathhouse/ Pools/Lockers	470,430	509,927	387,248	554,754	573,402	433,924	364,197	549,641	535,703	718,952	5,098,178
Dockage/ Boat Storage	501,757	456,778	443,840	446,838	468,450	436,286	457,255	449,014	429,671	418,323	4,508,213
Boat Rentals	190,894	173,226	164,326	188,544	185,010	175,735	188,323	216,580	212,216	234,121	1,928,976
Excursion Boat	24,572	19,858	22,019	24,305	21,927	21,602	26,202	28,157	27,503	30,867	247,012
Cross Country Skiing	8,894	24,210	49,631	22,811	11,954	11,859	33,734	31,277	1,929	10,526	206,825
Toll Collection	3,489,741	3,446,996	3,355,302	3,661,325	3,668,567	4,674,213	4,666,289	4,732,695	4,636,860	4,735,495	41,067,483
Sundries	181,290	173,222	165,018	171,542	165,816	140,319	137,190	150,577	133,270	138,831	1,557,075
Games/ Ekiupment Rental	69,604	65,888	59,675	62,051	61,762	66,053	42,178	68,045	57,314	54,693	607,262
Activity Center	25,875	21,500	19,525	23,650	43,735	42,590	55,950	55,950	75,005	74,030	437,810
Reserved Picnics	170,640	181,198	212,739	258,325	241,093	252,117	255,985	254,985	281,353	301,071	2,409,505
Golf Course	6,080,843	6,070,325	5,980,234	5,605,143	5,230,150	5,283,738	5,294,569	5,247,066	4,994,534	5,626,147	55,412,748
Miniature Golf	59,746	53,533	44,289	52,586	43,041	45,538	52,090	45,635	46,406	47,215	490,080
Special Events	137,729	138,555	112,504	96,043	96,000	86,041	62,595	118,680	40,320	58,342	946,809
Resident House/ Land/Leases	33,317	32,295	60,386	40,105	50,578	79,296	85,487	84,369	90,180	106,774	662,786
Livestock Sales	47,376	48,948	49,443	50,901	47,253	43,607	54,936	55,712	73,329	66,471	537,976
Hay Rides	38,592	28,111	35,430	33,427	35,854	44,568	52,497	47,728	42,587	43,621	402,414
Site Location Fee	18,700	22,720	32,770	17,320	13,750	17,800	9,600	15,510	25,170	16,990	190,330
Interpretive	-	-	-	-	-	97,047	90,314	120,157	161,041	181,254	649,813
Miscellaneous	38,546	39,361	49,264	175,372	119,596	106,896	110,395	107,570	110,363	101,279	958,643
Other Park Revenues (a)	23,181	19,555	14,564	15,004	11,048	11,822	14,134	10,816	14,548	16,870	151,542
Total	\$ 12,399,641	\$ 12,339,493	\$ 12,089,229	\$ 12,093,805	\$ 11,785,643	\$ 12,869,032	\$ 12,868,520	\$ 13,247,181	\$ 12,814,635	\$ 13,807,794	\$ 126,314,972

(a) Other Park revenues include overnight parking, Environmental Discovery Center and trackless train.

Internal Control and Compliance



REHMANN ROBSON

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

April 29, 2008

To the Board of Commissioners Trustees
Huron-Clinton Metropolitan Authority
Brighton, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Huron-Clinton Metropolitan Authority (the "Authority"), as of and for the year ended December 31, 2007, (except for the Pension and Other Employee Benefit Trust Funds which are as of and for the year ended September 30, 2007) which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiencies described below as items 2007-1 and 2007-2 to be significant deficiencies in internal control over financial reporting.

2007-1 Segregation of Duties – Employee Pay Administration and Payroll Processing

Criteria:	Management is responsible for establishing and maintaining effective internal control over financial reporting and the safeguarding of the Authority's assets.
Condition:	During our audit we noted that the same individual is responsible for employee pay administration (i.e. setting up new employees, adjusting pay rates, deductions, etc.) and processing payroll.
Cause:	This condition was primarily caused by the lack of staff and timing constraints.
Effect:	As a result of this condition, the District's cash and investments could be potentially misappropriated or misstated.
Recommendation:	We recommend that the Authority have a responsible person independent of payroll processing perform the employee pay administration function.
View of Responsible Officials:	The Authority is in the process of establishing a new human resource and payroll processing system that will segregate the employee pay administration and payroll processing functions.

2007-2 Pension and OPEB Funds on Authority's Accounting System

Criteria:	Management is responsible for establishing and maintaining effective internal control over financial reporting and the safeguarding of the Authority's assets.
Condition:	During our audit we noted that the transactions for the Pension and Retiree Health Care Funds were not being recorded into the Authority's general ledger.
Cause:	This condition was primarily caused by management's decision to use a spreadsheet system to account for Pension and Retiree Health Care transactions.

Effect: The Authority's general ledger accounting system is an essential part of maintaining good internal controls. As a result of this condition, the Authority's cash and investments could be potentially misappropriated or misstated and not recognized in reasonable amount of time.

Recommendation: We recommend that the Authority use the general ledger accounting system to record and account for Pension and Retiree Health Care transactions.

View of Responsible Officials: The Authority is in the process of establishing procedures for recording transactions to the Authority's general ledger for Pension and Retiree Health Care transactions.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Authority in a separate letter dated April 29, 2008.

This report is intended solely for the information and use of management and the board members, and is not intended to be and should not be used by anyone other than these specified parties.





REHMANN ROBSON

Certified Public Accountants

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April 29, 2008

To the Board of Commissioners
Huron-Clinton Metropolitan Authority
Brighton, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Huron-Clinton Metropolitan Authority (the "Authority") for the year ended December 31, 2007, and have issued our report thereon dated April 29, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards

As stated in our engagement letter dated March 3, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters February 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

We evaluated the key factors assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statements may be affected by unusual transactions, including nonrecurring transactions. However, we noted no unusual transactions during the audit period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the

misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 29, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the Huron-Clinton Metropolitan Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lehmann Lohman". The signature is written in a cursive, flowing style.

Huron-Clinton Metropolitan Authority

Comments and Recommendations

For the Year Ended December 31, 2007

In planning and performing our audit of the financial statements of the Huron-Clinton Metropolitan Authority (the “Authority”) as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity’s financial statements that is more than inconsequential will not be prevented or detected by the entity’s internal control. The deficiencies we noted that we consider to be significant deficiencies are described in our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity’s internal control.

Other Matters

System Access to Terminated Employees

During our assessment of the Authority’s internal controls, we noted that there was no clear communication process for terminated employees to the Authority’s Information Technology (IT) department. This condition has the potential of terminated employees having access to the Authority’s information system.

Recommendation:

We would recommend that the Authority develop a system of clear communication between the

Huron-Clinton Metropolitan Authority

Comments and Recommendations

For the Year Ended December 31, 2007

park administration, human resources and the information technology department to recognize terminated employees on a timely basis and to insure that any and all access to the Authority's information systems are ended.

Governmental Accounting Standards Board Statement No. 45 – “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions”

The Authority will be required to adopt GASB Statement No. 45 for the fiscal year ending December 31, 2008. This standard addresses financial accounting and reporting issues related to the Authority's other postemployment benefits other than pensions such as retiree health care and life insurance benefits.

The new standard will require the Authority to recognize the legacy liability of these benefits based on an actuarial valuation over a time frame not to exceed 30 years. In addition, the standard will require footnote and required supplementary information to be provided in the annual financial statements that is very similar to the Authority's pension system.

We have noted that the Authority has already been proactive in implementing this new standard by establishing a Retiree Health Care Trust Fund and has completed the actuarial evaluation.

Recommendation:

Regardless of the method that the Authority desires to fund this liability (rather through a pay-as-you-go basis or funding through the actuarial required contribution or some combination thereof) we would recommend that the Authority process all contributions and benefit payments through the Authority's Retiree Health Care Trust Fund. As such, the Authority will receive the benefit of the contributions and reduce the amount, if any, that would be required to be recorded at the Governmental-Wide financial statements for any shortfalls.

* * * * *